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Andorra ... 8.50 F. Iceland ... 175 IKR. Oman ... 1 000 Baisa
Antilles ... 10 F.F. Iran ... 115 Rials Poland ... 18 000 Zl
Austria ... 25 S Israel ... NIS. 4.50 Portugal ... 180 Esc.
Bahrain ... 0.800 Din Italy ... 2,200 Lire Qatar ... 8.00 Riyals
Belgium ... 55 B.Fr. Jordan ... 1 JD Rep. of Ireland 95 P
Bulgaria ... 40 Leva Kenya ... Shs. 45 Reunion ... 10 F.F
Cyprus ... C.£ 1.00 Kuwait ... 500 Fils Saudi Arabia 8.00 R.
Czechoslovakia 35 Kr Lebanon ... U.S.$1 10 Spain ... 175 Ptas
Denmark 13.00 D.Kr. Libya ... L.Din. 0.60 Sweden ... 11.00 S Kr
Egypt ... E.P. 4.500 Liechtenbourg 55 L.Fr. Switzerland 2.80 S Fr.
Finland ... 10.00 F.M. Madeira ... 185 Esc. Tunisia ... 1 000 Din
France ... 8.50 F. Morocco ... 11.00 Dh Turkey ... T.L. 7 000
Germany ... 3.00 D.M. Netherlands 3.25 Fl U.A.E. ... 8.50 Dirh
Great Britain ... £0.75 Norway ... 13.00 N.kr. U.S.S.R. ... U.S.$2.00
Greece ... 200 Dr Nigeria ... 16.00 Naira U.S. Mil. (Eur.) $1.00
Hungary ... 115 Ft Yugoslavia ... 43 ND

U.S. Interest Rates Cut to Aid Recovery

Quarter-Point Reduction Cheers the Stock Market

By Lawrence Malkin
International Herald Tribune

NEW YORK — Under pressure to pump up the faltering U.S. recovery, a worried and divided Federal Reserve cut interest rates another notch Tuesday, stimulating stock and bond markets.

Around midday the central bank moved into Wall Street's money markets and added overnight bank reserves that effectively carry an interest rate of 5.5 percent. This was the smallest possible reduction in the federal funds rate of 5.75 percent, which has been the benchmark for the wholesale cost of money to the nation's banks since May.

It was the Fed's fifth interest rate reduction this year, and financial markets applauded. The dollar slipped, then recovered. The price of three-year Treasury notes strengthened just as the government was auctioning off $12 billion worth and their interest rate dropped more than one-tenth of a percentage point.

On Wall Street, where stocks had been falling for some weeks on fears of sluggish profit growth, blue chips at first got a slight boost from lower interest rates. They then took off late in the day, with the Dow Jones industrial average closing up 38 points, at about 3,027.

Economists were surprised only by the timing of the rate cut, which came while a record auction of $36 billion in federal notes and bonds was under way this week. But the cut helped smooth the huge sale by reassuring investors, and the three-year notes sold at a yield of 6.92 percent, lowest at this maturity for four years.

A Fed easing had been widely expected after last Friday's unemployment statistics showing that the economy was steadily losing thousands of jobs despite a slight revival in output this spring. But few economists expected the move would provide much stimulus to the economy: American banks have been reluctant to take the new money made available by earlier rate cuts and lend it to business. They have, instead, used it to strengthen their own weak balance sheets by buying government bonds.

This has pulled the growth in the supply of money circulating in the economy to the bottom range of the Fed's target zone, prompting public pressure from President George Bush and his economic advisers for the Fed to pump out more money.

In what amounted to a rare public explanation, Governor Edward Kelley told Reuters in an interview just before the central bank moved in the money market, "One does have to have concern that as yet you don't see the kind of snap, crackle and pop you'd like to see in an emerging recovery."

Mr. Kelley also expressed concern about low money supply growth only a day after Robert Parry, president of the San Francisco Federal Reserve Bank, made a speech calling current money supply growth adequate. Like many of the regional bank presidents who decide credit policy as members of the Federal Open Market Committee, Mr. Parry stressed the Fed's long-term goal of lower inflation rather than growth, which preoccupies the Board of governors, based in Washington.

Some economists said that the huge spread of about 2.75 percentage points between the

See RATES, Page 10

Dollar Expected to Fall Against Deutsche Mark

By Carl Gewirtz
International Herald Tribune

PARIS — Fears that the dollar is caught between the blades of a closing scissor — a drop in U.S. interest rates and a hike in German levels — is fueling pessimism about the near-term outlook for the U.S. currency.

Tuesday's trading of the dollar on world currency markets was subdued compared to Monday's sharp 2½ pfennig drop against the Deutsche mark.

But the dollar's inability to recover above Monday's closing level against the mark and its spreading weakness to include the yen, which up to now has held relatively steady, were seen by traders as confirmation that the mood for the dollar remains negative.

"Attempts to buy the dollar against the Deutsche mark didn't go very far," said James Moore, a managing director at Chemical Bank in New York. And, he added, the dollar lost ground against the yen, falling below 136.30 yen for the first time since April.

"The implications are that there is room on the downside for the dollar," Mr. Moore said.

In New York, the dollar closed at 1.71 DM, down from Monday's close of 1.7175 DM, and at 135.65 yen, down from the previous finish of 136.65 yen. The British pound finished at $1.7135, up from $1.7108.

The fact the dollar failed to fall below 1.700 DM, its low for the day, was considered significant. A fall below that level could prompt a drop to the mid-1.60s, traders and chartists agreed.

Worries about changes in interest rates that would further widen the burden of holding dollars were fueled on Tuesday when the Federal Reserve added reserves to the nation's banking system. The move was a signal that the Fed had lowered its target on the cost of overnight money — the base from which all all other interest rates are scaled up — to 5½ percent from the prevailing 5¾ percent.

In Frankfurt, meanwhile, Karl Thomas, a member of the Bundesbank's decision-making council, told reporters Tuesday that a rise in the Bundesbank's 6.5 percent discount rate "has been overdue for a long time." His comments echo statements from the Bundesbank's new president, Helmut Schlesinger, who said last month the rate was out of line with market rates.

It is widely assumed that the rate will be raised at the Bundesbank's council meeting Aug. 15, and analysts are divided only on whether the size of the increase will be one-half of a percentage point or a full percentage point.

Of greater importance to the foreign exchange market is whether the Bundesbank will at the same also lift its Lombard rate, a lending facility against collateral that currently stands at 9 percent and is the base from which all other market rates are scaled up. A hike in the discount rate alone would not necessarily mean market rates had to rise.

At present, three-month interest rates on dollars are 5⅞ percent, compared with 9⅝ percent on marks. This means operators in the foreign exchange market forgo 3½ percentage points on interest income when they hold dollars instead of marks, or lose that much when they borrow marks to buy dollars.

When the dollar hit its record low against the mark in February,

See DOLLAR, Page 10

The Associated Press
Terry Anderson, a U.S. hostage, in a photo released in Beirut on Tuesday.

Captors Offer Talks at UN On Hostages In Lebanon

U.S., Though Cautious, Begins Preparing for Possibility of Release

By Patrick E. Tyler
New York Times Service

WASHINGTON — Kidnappers holding the American hostages Terry A. Anderson and Thomas Sutherland said in a communiqué in Beirut on Tuesday that they would send an envoy to Secretary-General Javier Pérez de Cuéllar of the United Nations within the next 48 hours with "an extremely important message."

But by the end of the day, UN officials in New York said they had received no direct communications from any potential envoy.

U.S. officials in Washington said they had received no visa applications that would lend credence to the report of a special envoy, but a senior Islamic cleric in Beirut suggested that the envoy might be a released hostage carrying a special message.

As it was, U.S. officials were making some preparations for a possible hostage release, while taking a cautious tone in public.

"There have been many press reports in the last several months claiming that hostage releases were imminent," said Sondra McCarty, a State Department spokeswoman. "We can only hope that this latest report will prove true."

For months, U.S. and Western officials have been saying that reduced tensions between Tehran and the West plus the re-establishment of central authority in Lebanon could lead to the release of some or all of the 12 Westerners still in captivity. Reports from Tehran in June that a hostage release was imminent did not bear fruit.

The latest round of speculation began in earnest Tuesday when a statement signed by the Islamic Jihad for the Liberation of Palestine, a pro-Iranian group, was sent to the Beirut offices of an international news agency. It was authenticated by an accompanying picture of Mr. Anderson.

Mr. Anderson, 43, the chief Middle Eastern correspondent of The Associated Press, has been held by Islamic Jihad since March 16, 1985. Mr. Sutherland, 60, a professor of agriculture at American University in Beirut, was seized from his home on June 9, 1985.

Four other Americans, three Britons, two Germans and an Italian are also being held in Lebanon.

The kidnappers — usually shadowy fundamentalist Shiite groups affiliated with Iran — have been consistent in their demands. They have repeatedly expressed their willingness to free the captives if Israel releases 400 Arab prisoners.

"Keeping the faith that we should work on resolving the ordeal of our strugglers who are imprisoned around the world and especially in occupied Palestine, and to clear the issue of the hostages in our custody and resolve the problem of their families," the Islamic Jihad statement read, "we will send a special envoy carrying an important message to the secretary-general of the United Nations Mr. de Cuéllar within the next 48 hours."

Noting that it would be practically impossible for the clandestine kidnappers to travel to New York and deliver the message to Mr. Pérez de Cuéllar, a senior fundamentalist source in Beirut speculated that the envoy whom the statement spoke about might, in fact, be one of the American captives, who would carry the message after his release.

"It seems there is a breakthrough in the hostages issue, and releasing one hostage may pierce a hole in the deadlock," said the fundamentalist source, who requested anonymity.

[At UN headquarters in New York, Mr. Pérez de Cuéllar said he would meet with any

See HOSTAGES, Page 6

Asians Fear Deal on Cambodia As China-Vietnam Ties Warm

By Michael Richardson
International Herald Tribune

SINGAPORE — As the pace of reconciliation between China and Vietnam quickens, concern is growing among some Asian and Western officials that the two countries have reached a secret understanding on Cambodia, one that would strengthen Communist forces and derail plans for a temporary UN administration to organize free elections.

Agreement on a "Red solution" for Cambodia would involve China's using its influence to push the Khmer Rouge — widely blamed for causing the deaths of more than a million Cambodians in the 1970s — into a power-sharing arrangement with the Vietnam-supported government in Phnom Penh.

A power-sharing deal would avoid the need for an intrusive UN presence in Cambodia leading to UN-supervised elections, which neither Vietnam nor China wants, analysts said Tuesday.

While a "Red solution" in Cambodia was dismissed as implausible only a few months ago, recent improvements in relations between China and Vietnam — the two key external adversaries in the Cambodian war — have led a number of Asian and Western officials to make a radical reassessment.

Lee Kuan Yew, Singapore's senior minister and former prime minister, said there was now a danger of the UN plan for a settlement of the Cambodian conflict being "sidetracked because China and Vietnam have decided that they could come to some arrangement on their own that they could live with but which may not be the best for Cambodia or for Southeast Asia."

In an interview with the BBC, Mr. Lee said he thought that the two countries had "reached some kind of understanding."

"Beijing and Hanoi are more in agreement with each other than they have been for a very long time, not over Cambodia alone but over the whole of their relationship," Mr. Lee added.

In the latest sign of improving ties, Xu Dunxin, China's deputy foreign minister, will meet his Vietnamese counterpart, Nguyen Dy Nien, in Beijing from Thursday to Saturday, officials of both countries said.

According to a Chinese Foreign Ministry spokesman, the talks will center "on the political settlement of the Cambodia question and Sino-Vietnamese relations."

Regional concern about efforts by China and Vietnam to impose a partial solution in Cambodia was reflected in a communiqué last month when foreign ministers of the Association of South East Asian Nations reaffirmed the need for "a comprehensive political settlement" of the conflict based on the United Nations peace plan.

At a subsequent meeting with the ASEAN

See CAMBODIA, Page 2

EC Seeks Support in Yugoslav Peace Bid

By Steven Greenhouse
New York Times Service

THE HAGUE — The European Community on Tuesday asked the United States, the Soviet Union and the rest of Europe to back its efforts to bring peace to Yugoslavia, while France and several other Community members urged that a West European buffer force be dispatched to the country.

The Community's foreign ministers asked the EC executive branch to explore economic sanctions against Yugoslav republics that block a cease-fire and a financial reward for the republics that cooperate in keeping the peace.

[Yugoslavia's federal leadership declared an official cease-fire in Croatia beginning at 0400 GMT on Wednesday, Reuters reported, citing the Tanjug press agency.

[Tanjug said the eight-member state presidency met in an emergency session in Belgrade and proclaimed "an absolute and unconditional cease-fire" among all warring parties. The presidency issued its declaration after federal officials met with Croatian representatives and Serbian guerrilla leaders.]

The foreign ministers called the emergency meeting here Tuesday after EC officials failed over the weekend to arrange a cease-fire in Yugoslavia, where more than 300 people have died in fighting since Croatia and Slovenia declared their independence in June.

Community officials blamed Serbia for blocking a cease-fire, as Serbian guerrillas attacked parts of Croatia with the aim of creating a greater Serbia.

[As the EC ministers met, the Soviet Union warned the West against military involvement in Yugoslavia, saying it would lead to a conflict embracing all of Europe, Reuters reported from Moscow.

[A government statement carried Tuesday by Tass said that a thin line separated friendly assistance and unacceptable interference in the internal affairs of another nation.

["To enter — whether unwillingly or because of egoistic temptations — on one side in the conflict would mean to come into conflict automatically with others, inside and outside Yugoslavia," it said. "And the conflict would grow into an all-European one."]

"It's not acceptable that internal or international borders be changed unilaterally by force," said Hans van den Broek, the Dutch foreign minister, who headed the EC mediation efforts in Yugoslavia. The Netherlands holds

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Srdjan Ilic/The Associated Press
Serbian anti-Communists with the coffin of Branislav Matic, their group's murdered No. 2 leader, at his funeral Tuesday in Belgrade.

Kiosk

U.S. Threatens Pullout Over Philippine Pact

WASHINGTON (Reuters) — Defense Secretary Dick Cheney said Tuesday that the U.S. military "would pack up and go elsewhere" if the Philippine Senate rejected a new agreement on military bases.

The agreement allows the United States to keep the Subic Bay Naval Base for at least 10 years and give up Clark Air Base, which was damaged in the eruption of Mount Pinatubo.

The Philippine Senate must approve the agreement, but a majority of members have already said they will reject it because the total compensation of $800 million a year that Washington has offered is not enough.

General News

Facing budget cuts, the U.S. arms lobby is fighting back with tougher tactics. Page 3.

Hiroshima's mayor apologized for the suffering caused by Japan in World War II. Page 2.

Cruise officials said that the captain who left his ship did the right thing. Page 2.

Business/Finance

Eastern Germany's economy now is showing more signs of life, but unemployment may be the last area to improve. Page 9.

Crossword Page 7.

Dow Close
Up
38.24
3,027.28

The Dollar
In New York

DM	1.71
Pound	1.7135
Yen	135.65
FF	5.816

8 Years After U.S. Invasion, 14 in Grenada Still Await Hangman

By Edward Cody
Washington Post Service

ST. GEORGE'S, Grenada — From their perch on a hill overlooking Grenada's storybook harbor, the Marxist zealots who killed Prime Minister Maurice Bishop still haunt this Caribbean island.

Nearly eight years after Mr. Bishop's gentle revolution degenerated into a bloody power struggle and provoked a U.S. invasion, the 100,000 people of Grenada have yet to put behind them the events of Oct. 19, 1983, when Mr. Bishop and seven followers were machine-gunned against a stone wall.

Most of the pink-skinned tourists who glide aboard glistening white cruise ships three times a week have only a hazy memory of the explosions or of the air, sea and land invasion ordered by President Ronald Reagan six days later, in which 19 Americans, 24 Cubans and 44 Grenadians were killed.

But Grenada's people remember. It was the biggest thing that ever happened here. They are reminded of the shock every time they look up at Richmond Hill and the hulking yellow prison, where 13 men and a woman have been sitting for years, battling the courts to avoid their condemnations to hang.

The Grenada Court of Appeals thought it had done just that last month, when it ruled the appeals process had run out.

The 14 — including Mr. Bishop's dogmatic deputy prime minister, Bernard Coard; Mr. Coard's wife, Phyllis, who sat on the ruling New Jewel Movement's Central Committee, and General Hudson Austin, commander of the Popular Revolutionary Army — were condemned Dec. 4, 1986, and have been appealing ever since.

Within days of the appeals court ruling, reports circulated that 5 of the 14, including Mr. Coard, would be hanged by Aug. 1.

A sampling of opinion indicated that a strong majority of Grenadians thought it was a good idea to hang the 14 — a way to close a dark chapter in history.

The urge to move on is widespread, strengthened by clear signs of progress since the early 1980s. Tourists, for instance, have almost doubled. Telephones have been installed across the island. Most homes are now hooked into an electrical system that no longer blacks out several times a day.

But the swift private investment promised by the Reagan administration never really came, and even most U.S. government aid has dried up. The villages are still dirt-poor. Unemployment remains about 25 percent, and the impression has grown that Mr. Coard and the others are holding Grenada in its past.

"People have not forgotten," said Geoffrey Thompson, a prominent Grenada trader. "They know what they did and why they did it."

The Aug. 1 date was important because that was when Grenada's democratic government was scheduled to re-enter a judicial system of Britain's former Caribbean colonies that would open the way to higher appeals. Until then, defense lawyers had nowhere else to turn.

Thus stymied in the courts, defense lawyers in late July lodged a plea for clemency with the six-member Grenada Advisory Committee on the Prerogative of Mercy, headed by Tourism Minister Joan Purcell.

Her committee, in consultation with the rest of Prime Minister Nicholas Brathwaite's government, reportedly decided July 26 to deny the mercy plea.

But Mr. Coard's relatives and friends in the United States, including Ramsey Clark, the former attorney general, swung into action. Partly as a result, Grenada was deluged with appeals for a stay, directed at Mr. Brathwaite, Miss Purcell and Governor General Paul Scoon, the British crown's representative.

Amnesty International appealed to Mr. Brathwaite to commute the sentences. It cited earlier assertions that the 1986 trial showed signs of bias among the jurors against Mr. Coard and the others. It noted that, although death sentences had been handed down for common crimes, Grenada had executed no one in 13 years.

Two U.S. congressmen with previous interest

See GRENADA, Page 2

Iraqis Admit Secret Yield Of Plutonium

By Jerry Gray
New York Times Service

UNITED NATIONS, New York — Iraq has disclosed that its scientists were able to extract a small amount of plutonium — suitable for making an atomic bomb — from spent fuel at a nuclear installation whose operations were subject to international inspection, according to UN officials.

They said the disclosure was troubling new evidence that Iraq's effort to produce nuclear weapons were far more extensive than believed, even given Baghdad's piecemeal acknowledgements to UN monitors since the Gulf war.

The latest disclosure — coupled with a separate new admission by Iraq that it deliberately misled UN inspectors about a secret biological weapons program — also raises new doubts about whether Baghdad has been fully forthcoming about its efforts to develop weapons of mass destruction.

Further, the disclosure calls into question the effectiveness of international efforts to monitor ostensibly peaceful nuclear programs to prevent the spread of nuclear arms.

[UN inspectors disclosed more details of the Iraqi germ warfare program Tuesday, Reuters reported from Baghdad. It quoted David Kelly, the leader of the inspection team, as saying the Iraqis reported that their biological warfare research included experiments with anthrax and the food poisoning toxin botulinum.]

Robert L. Gallucci, deputy chairman of the UN commission charged with eliminating Iraq's weapons of mass destruction, said this week that the Iraqis in recent days had acknowledged extracting three grams of plutoni-

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Iran-Contra Probe Targets Ex-CIA Aide

By George Lardner Jr. and Walter Pincus
Washington Post Service

WASHINGTON — A former CIA official involved in the Iran-contra affair has been notified that he is a target of an investigation of CIA complicity in a cover-up of the scandal.

Sources said that prosecutors for the independent counsel, Lawrence E. Walsh, had found evidence that Duane R. Clarridge lied in congressional testimony about a November 1985 shipment of Hawk missiles to Iran.

The notification means that Mr. Walsh's office intends to seek Mr. Clarridge's indictment, observers said. His indictment could undermine assertions by some Reagan administration and CIA officials that they did not know that the shipment contained arms for Tehran.

Mr. Clarridge, who was chief of the CIA's West European division at the time, said in an April 1987 congressional deposition that he had been told it was sophisticated oil-drilling equipment. But according to the new evidence, Oliver L. North, the former White House aide, told Mr. Clarridge that it contained Hawk missiles.

The North-Clarridge discussion took place shortly before an El Al Boeing 747 carrying 80 Hawk missiles was ordered to take off for Lisbon from Tel Aviv on a circuitous route to Tehran, sources have said. Portuguese officials were unwilling to grant the special clearances needed for the plane to land in Lisbon and for the missiles to be transferred to other aircraft that would then deliver them to Tehran.

Mr. North, the sources said, informed Mr. Clarridge of the problem and told him the administration needed the CIA to vouch for the flight. Mr. North told Mr. Clarridge that Hawk missiles were the cargo, sources said.

The House-Senate Iran-contra committees voiced deep skepticism about Mr. Clarridge's account.

They pointed out that Mr. Clarridge had insisted in testimony that he had no recollection of having learned that the cargo was missiles before the shipment was delivered.

That testimony, the committees said, "conformed to the false story" that certain administration officials put out when the scandal unfolded and when they were trying to conceal advance knowledge of the missile shipment.

At the time, the committees noted, both President Ronald Reagan and the White House chief of staff, Donald T. Regan, were among those who knew "that the cargo consisted of Hawk missiles and were specifically told of the false story before the shipment was made."

Bill Waugh/The Associated Press

GRIEF-STRICKEN FAMILY IN MILWAUKEE — Relatives of Tony Hughes, one of 11 persons whose dismembered bodies were found in the apartment of Jeffrey L. Dahmer, gathering at a remembrance ceremony held at Juneau Park in Milwaukee. From left are Barbara Hughes, Carolyn Smith and Wanett Hunter, all sisters of Mr. Hughes, and Shirley Hughes, the victim's mother.

Congress to Investigate Charges of 1980 Deal on Hostages

By Tom Kenworthy and Walter Pincus
Washington Post Service

WASHINGTON — Senior Democrats in the Senate and House have announced separate panels to investigate "persistent and disturbing" allegations that Reagan-Bush campaign officials in 1980 secretly negotiated with Iran to delay the release of 52 American hostages until after that year's presidential election in return for promises of U.S. weapons.

Stories about such an arrangement first surfaced during the 1980 campaign and have persisted ever since. Although it has been confirmed that various Iranian middlemen proposed hostage deals to both Democrats and Republicans during the 1980 campaign, officials in the Reagan and Bush administrations have repeatedly denied that any such agreement was made.

The hostages, whose 444 days of captivity in Tehran dominated the final year of Jimmy Carter's presidency, were released just after Ronald Reagan's inauguration in January 1981. That circumstance, along with information that some arms shipments to Iran from Israel took place in the 1980-81 period, have combined to keep the issue alive.

"These allegations should be laid to rest once and for all," the Democrats Thomas S. Foley of Washington, speaker of the House, and George J. Mitchell of Maine, the Senate Democratic leader, said in a joint statement Monday. "We have no conclusive evidence of wrongdoing, but the seriousness of the allegations, and the weight of circumstantial information, compel an effort to establish the facts."

The House Republican leader, Robert H. Michel of Illinois, said he believed that Democrats were "wasting an awful lot of money on a charade."

"It's going to end up with nothing being resolved except a lot of political shenanigans," Mr. Michel said. "There is nothing there, and the people back home don't give two hoots about it."

The announcement capped several months of informal inquiries by House Democratic leaders to determine whether there was sufficient circumstantial evidence to warrant a full-scale investigation.

At one informal session with a handful of lawyers, the Democrats were warned that it would be difficult to gather facts because many records no longer exist.

They were also told that some important witnesses, such as Iranian officials, may be unavailable, and that others were dead — including William J. Casey, the Reagan-Bush campaign chairman and later Mr. Reagan's CIA director. Finally, the lawyers warned, most of the allegations were from witnesses who have records of telling false stories.

Cruise Officials Back Captain Who Left Ship

Compiled by Our Staff From Dispatches

JOHANNESBURG — The cruise company that chartered the Greek liner Oceanos defended the ship's captain Tuesday, saying he had been justified in leaving the sinking vessel while passengers were still aboard.

Many passengers and entertainment staff members have complained that Captain Yiannis Avranias and senior officers fled the ship on the first rescue helicopter, abandoning them to their fate.

Captain Avranias said he left his ship to supervise rescue operations from shore, and the owners of the Greek-registered Oceanos, Epirotiki Lines, supported his decision.

Lorraine Betts, British cruise director for TFC Tours and one of the last people to leave the 7,554-ton liner before it sank, rejected criticism of the captain.

"I would sail with him again," she said at a news conference. "What he said he was going to do sounded good to me."

Miss Betts, who helped coordinate the air and sea rescue from the bridge, said Captain Avranias had told her he was going to another ship to get it to heave to alongside the Oceanos to calm the sea so lifeboats could be launched.

The South African Transport Department began an inquiry hours after the Oceanos sank in about 80 meters (260 feet) off the rocky east coast of South Africa.

A spokesman said that, depending on the outcome of the investigation, a maritime court could be convened with powers to withdraw Captain Avranias's license and fine him if it found negligence.

Three Greek Coast Guard officers flew to South Africa on Tuesday to help with the investigation. "They will question the crew and work with South African authorities to determine the causes of the sinking," an official said in Athens.

Passengers and newspapers praised the South African armed forces for the success of the rescue operation, in which all 571 people on board were saved after the Oceanos sprang a leak Saturday night.

The cause of the sinking has yet to be established, but an official in the East London port captain's office said the ship had definitely not hit a reef. Captain Avranias said a piston burst from the engine, damaging the hull.

Christos Nikolaou, the second-in-command, said that the crew had acted properly. It gathered all passengers in the main lounge minutes after water was found to be flooding the generator room.

He said Captain Avranias had not sounded a general alarm for fear of causing panic among the passengers.

"Huge amounts of water were coming in and we sealed the watertight doors and isolated all the ship's compartments," he said, adding that he did not know why the ship filled with water.

Mr. Nikolaou said the captain turned the ship toward shore and dropped both anchors in an effort to stabilize it. Life vests were issued to passengers, he said, and the crew lowered eight lifeboats, three with engines and five with oars.

(Reuters, AP)

GRENADA: *14 Await Hangman*

(Continued from Page 1)

in the island. Representative Mervyn Dymally, Democrat of California, and Donald Payne, Democrat of New Jersey, wrote to the prime minister, the tourism minister and the governor general urging that executions be stayed pending review.

It was a defense appeal for review by the Inter-American Human Rights Commission, however, that won the stay. The commission asked for delay while it considered the appeal, based on Grenada's adherence to the Inter-American Human Rights Convention barring execution for political crimes.

Against that background, Sir Frederick Smith, a Barbadian who heads the three-judge Grenada Court of Appeals, granted an appeal from a defense lawyer, Clarence Hughes, for a review of the constitutionality of the court's earlier ruling, in the light of the human rights convention.

A hearing was set for Wednesday, prolonging yet again a process most Grenadians want to end.

In response, Governor General Scoon issued a proclamation postponing Grenada's re-entry into the Caribbean appeals court, saying the previous Aug. 1 schedule was no longer "expedient." As a result, the court in Grenada retains the final legal word and Mr. Braithwaite's government the ultimate decision.

Bonn Charges Woman In '77 Schleyer Murder

Reuters

BONN — A 37-year-old German woman, Monika Winter, has been charged with the murder in 1977 of Hanns-Martin Schleyer, president of the West German Employers and Industry Federation, and his four bodyguards, the federal prosecutor's office announced Tuesday.

She was arrested in East Germany in June 1990 during a roundup of eight suspected Red Army Faction members who had been given refuge by the former Communist regime. She is alleged to have participated in several major attacks before going underground in former East Germany in 1980. She was handed over to West Germany last September, a week before German unification.

Seoul Sees UN as Helping Ties to North

Compiled by Our Staff From Dispatches

SEOUL — United Nations membership for North and South Korea will lead to improved ties between the two as they increase contacts through the world body, a South Korean official predicted here Tuesday.

The official, Chang Man Soon, assistant foreign minister for political affairs, said the admission of the two Koreas to the United Nations would foster contacts between officials.

Mr. Chang told foreign correspondents at a monthly briefing that once the countries were admitted into the UN, "South and North Korean relations will be improved, not only in high-level dialogue but on an overall basis."

"They will have to cooperate in dealing with various issues in the UN, either on bilateral or multilateral basis, and there will be more exchanges," he said.

South Korea officially asked to join the United Nations on Monday, a request expected to be approved next month along with a similar request from North Korea. North Korea applied separately in July.

UN entry by both North and South Korea is viewed as a diplomatic coup for the South. The North had opposed the Koreas' joining separately, saying it would cement the division of Korea.

Asked whether there would be any new proposals during the prime ministers' talks starting Aug. 27, Mr. Chang said: "I don't think there will be any new elements. Many proposals have been already made and our primary concern is how to implement those proposals."

The Korean Peninsula was divided at the end of World War II in 1945. The two nations fought a war from 1950 to 1953 and have never signed a peace treaty. *(AFP, AP)*

Hiroshima Mayor Regrets Pain Caused by Japan

Compiled by Our Staff From Dispatches

HIROSHIMA, Japan — Mayor Takashi Hiraoka apologized Tuesday for Japan's aggression in World War II as the country observed the 46th anniversary of the U.S. bombing of Hiroshima.

"Japan inflicted great suffering and despair on the people of Asia and the Pacific during its reign of colonial domination and war," said Mr. Hiraoka, a survivor of the bombing. "There can be no excuse for these actions."

"Remembering all too well the horror of this war, starting with the attack on Pearl Harbor and ending with the atom bombings of Hiroshima and Nagasaki, we are determined anew to work for world peace."

The mayor of Nagasaki, Hitoshi Motoshima, apologized in 1989 for Japan's past aggression, but Tuesday was the first time the mayor of Hiroshima had done so.

Prime Minister Toshiki Kaifu joined an estimated 55,000 people in the annual peace rally at Hiroshima Peace Park to pay respects to those who died in the first atomic bombing.

In a brief speech, Mr. Kaifu welcomed the recent signing of the Strategic Arms Reduction Treaty by the United States and the Soviet Union and pledged that the Japanese government would "continue to make diplomatic efforts to achieve world peace and arms control."

Before a minute's silence was observed, Mayor Hiraoka placed in front of the Memorial Monument a list of 4,787 people whose deaths in the past year were attributable to the nuclear bombing, bringing the total number of victims to 172,024 since 1945.

Bells tolled at 8:15 A.M., the exact moment of the bombing 46 years ago, as survivors, citizens, officials and foreign guests observed one minute's silence. *(AFP, AP)*

CAMBODIA: *Asians Fearful of 'Red Solution' by China and Vietnam*

(Continued from Page 1)

ministers. James A. Baker 3d, the U.S. secretary of state, said that countries that had opposed the Vietnamese occupation of Cambodia must not accept partial solutions.

"We need a comprehensive settlement to ensure an enduring peace," he added.

Relations between China and Vietnam were ruptured in 1978 when Vietnamese forces invaded Cambodia, overthrew the Chinese-backed Khmer Rouge government and replaced it with an administration friendly to Hanoi.

China became the main arms supplier to Khmer Rouge guerrillas and provided limited assistance to two much weaker non-Communist resistance groups in Cambodia that formed a loose alliance with the Khmer Rouge.

Beijing also lined up with the West and countries of ASEAN in opposing the Vietnamese occupation, which had the backing of the Soviet Union and its bloc allies.

But Vietnam's dominant role in Cambodia — seen by China as both an affront and a challenge — has been undermined by withdrawal of remaining Vietnamese forces in 1989, a substantial reduction in Soviet military and economic aid to Vietnam in the past couple of years, dissolution of the Soviet bloc and weakness of the Vietnamese economy.

A congress in June of the Vietnamese Communist Party in Hanoi made some significant conciliatory gestures to China, and a number of senior Vietnamese party and state officials have since visited Beijing for discussions on improving relations in the context of a Cambodian settlement.

Analysts say that following the collapse of communism in Eastern Europe and the loss of its monopoly on power in Soviet Union, Mongolia and other parts of the world, China and Vietnam have also been driven closer together by a perceived common need to safeguard communism.

Lee Lai To, a political scientist at the National University of Singapore, said that the Communist regimes in Beijing and Hanoi realized that each would be weakened if the other was unable to hold on to power.

Analysts said that neither regime wanted to see free and fair elections held in Cambodia because it could strengthen demands by opposition forces in China and Vietnam for introduction of democratic change and political pluralism.

They said that China also knew that the Khmer Rouge would do badly in early Cambodian elections in which UN forces prevented intimidation of voters, while Vietnam calculated that the Hun Sen government would fare less well in UN-run polls than it would if it organized the voting itself.

Until a few months ago, China strongly supported strict application of all major provisions in the UN peace plan for a comprehensive settlement in Cambodia.

But since June, Beijing has thrown its weight behind negotiations that a number of Asian and Western officials fear may result in a partial solution favoring the interests of China and Vietnam.

The negotiations — in which Prince Norodom Sihanouk, the former Cambodian head of state, has played a leading role — have led to an agreement between the Phnom Penh government of Prime Minister Hun Sen, the Khmer Rouge and the two relatively weak non-Communist Cambodian factions on a cease-fire, formation of a Supreme National Council and its installation in Phnom Penh later this year.

The council is supposed to embody Cambodian sovereignty when a UN temporary administration and peacekeeping forces move into Cambodia.

But there is concern that it may become part of a power-sharing arrangement with the Phnom Penh administration.

"The Hun Sen government is the political legacy of the Vietnamese invasion of Cambodia, yet nothing in the Sihanouk accord has questioned the viability or durability of that government," said Michael Leifer, professor of international relations at the London School of Economics and Political Science.

"Now that China and Vietnam have got some semblance of power-sharing among the Cambodian parties, there is no need for UN peacekeeping and supervision."

The Hun Sen government, backed by Hanoi, has consistently opposed the UN plan to demobilize all military units and take control of key Cambodian ministries pending elections. Phnom Penh says this would weaken its position and favor Khmer Rouge guerrillas, who could easily hide their weapons for later use.

Some Western officials doubt that China will risk alienating the West and ASEAN by ditching the UN peace plan for Cambodia and opting for a partial settlement in the hope that the Khmer Rouge forces will steadily regain strength and build mass support.

The officials said that Prince Sihanouk must also be aware that the best chance of maximizing his influence and that of non-Communist forces in Cambodia is to insist on a strong UN presence in the approach to elections.

The positions of the key players in the negotiations will become clearer when the Cambodian factions and the five permanent members of the UN Security Council meet in Bangkok this month to discuss the role of the UN in a settlement, analysts said.

If It Calls for Extract, Then Don't Use Oil

The Associated Press

NEW YORK — Gourmet magazine sent 750,000 letters to subscribers last week because a recipe in its July issue called for wintergreen oil.

Wintergreen oil is used to ease sore muscles and should not be ingested. The recipe should have called for wintergreen extract, said Melissa Small, an assistant editor at the magazine.

"We thought we should inform our readers of this," she said. "Some people can be allergic to it."

In her original recipe, Helen Gustafson had called for wintergreen extract. The mint flavoring, she wrote, made "Aunt Vertie's sugar cookies" terrific with lemonade.

Ms. Small said that the writer "grew up in Midwest, and extract is more available there."

"It's hard to get extract here," she said, "and we substituted wintergreen oil."

All recipes are tested in kitchens at the magazine. Gourmet employees ate the cookies, and no trouble resulted, Ms. Small said.

A standard chemical reference, the Merck Index, says wintergreen oil causes nausea, vomiting and convulsions and can be fatal.

But Jay Young, an independent chemical safety consultant in Silver Spring, Maryland, said the amount called for in the recipe was so small that "it's extremely unlikely we're going to see any death if someone doesn't get the word."

WORLD BRIEFS

Colombian to Testify Against Noriega

MIAMI (AP) — A Colombian pleaded guilty Tuesday to flying large quantities of drugs to Panama and agreed to help prosecutors in their drug-trafficking case against Manuel Antonio Noriega, the former Panamanian dictator.

David Rodrigo Ortiz Hermida, 35, the co-defendant who was secretly brought to the United States about a month ago, entered the plea before U.S. District Judge William Hoeveler.

Mr. Ortiz becomes the sixth of Mr. Noriega's 15 co-defendants to agree to testify against him once trial of the deposed Panamanian leader gets under way Sept. 3. The Colombian was serving a 14-year prison term in France after being caught with about 1,000 pounds (453 kilograms) of cocaine on the Caribbean island of Guadeloupe in 1987.

Bulgaria Asks General's Extradition

SOFIA (Reuters) — The government of Bulgaria has asked the Soviet Union to extradite a general, Vladimir Todorov, who is wanted for questioning in the 1978 "umbrella murder" in London of an exiled dissident, Georgi Markov, officials said here Tuesday.

Inspectors suspect General Todorov, a former intelligence chief in the Bulgarian Interior Ministry, of having destroyed files related to the Markov murder. The general went to Moscow in May, disobeying orders not to leave Bulgaria.

Mr. Markov, a writer who worked for the BBC, died four days after feeling a sharp stab in the leg as he stood at a bus stop. An autopsy revealed a dissolving poison pellet in his thigh.

3-Day Conference for ANC Guerrillas

JOHANNESBURG (Reuters) — The military wing of the African National Congress will hold a three-day conference this weekend, its first inside South Africa in 30 years.

Umkhonto we Sizwe, or "Spear of the Nation," waged guerrilla warfare against white rule from 1960 until the ANC suspended its activities as a contribution to talks with the government on nonracial democracy.

President Frederik W. de Klerk legalized the group in February 1990, along with the ANC and other anti-apartheid groups, enabling the movement to hold meetings and plan strategy subject to normal South African laws.

Dhaka May Scrap Presidential Rule

DHAKA, Bangladesh (AFP) — Prime Minister Khalida Zia's government pushed a constitutional amendment through the legislature early Wednesday to return Bangladesh to a parliamentary system after 16 years of presidential rule.

The amendment received 307 votes, with none against among 330 members of the house. Abstentions were not recorded.

The amendment changing the form of government will be put to a national referendum before it is enacted. The election commission is expected to call the referendum sometime next month. Law Minister Mirza Golam Hafiz said he hoped reverting to parliamentary democracy would "bring about political stability."

Algerian Voting Reportedly Is Reset

ALGIERS (AP) — Legislative elections postponed in June because of a crackdown on Islamic fundamentalists will be held in November, an opposition leader quoted President Chadli Bendjedid as saying Tuesday.

Hocine Ait Ahmed, leader of the Socialist Forces Front, said after a meeting with Colonel Bendjedid that the president had indicated he would set a voting date by early September. He postponed the June 27 elections when, on June 5, he declared a state of emergency to halt agitation by the fundamentalist Islamic Salvation Front.

Prime Minister Sid Ahmed Ghozali said last week that 55 people had been killed in subsequent clashes between fundamentalists and security forces, while 326 had been wounded and 2,976 arrested.

TRAVEL UPDATE

Air France said Tuesday that it would resume weekly passenger flights to Kuwait, which were suspended after Iraq invaded the emirate, from Aug. 14. The Paris-Kuwait flight will continue on to Bahrain. *(Reuters)*

Italian fisherman lifted a blockade of the Strait of Messina on Tuesday, but the authorities said it would take two days to clear up transport chaos that left thousands of cars stranded along a 20-kilometer (12-mile) stretch of the highway between Naples and Reggio di Calabria. The blockade of ferry services left 6 long-distance passenger trains blocked on the mainland and 2 in Sicily with 10 other trains canceled since Monday. The fishermen ended their action after the government assured them they could continue using giant nets to catch swordfish. *(AFP)*

Japanese students of English literature who visit the rugged Yorkshire moors to see the backdrop to the Brontë sisters' novels need no longer fear getting lost. From Tuesday, 30 signposts in Japanese will guarantee safe passage around the wild and rainy country near the village of Haworth, in northern England, where the Brontës lived. *(Reuters)*

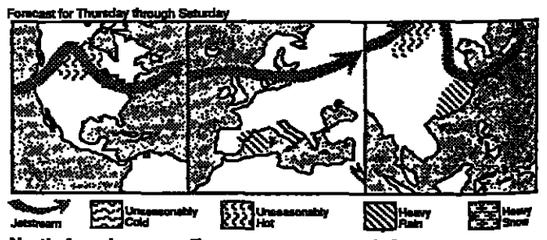
USAir, twice the loser in bids for direct flights to England, now wants to establish service from Pittsburgh to Italy. The airline said it had filed an application with the Department of Transportation for daily flights from Pittsburgh to Rome and Milan. *(UPI)*

National airlines of the Association of Southeast Asian Nations are offering fare discounts of as much as 50 percent on published rates for travel in 1992, which has been designated Visit ASEAN Year. The reduced fares are for passengers living outside the ASEAN countries and holding airline tickets for travel from an outside point to and through those countries, which are Singapore, Thailand, Malaysia, Indonesia, Brunei and the Philippines. *(Reuters)*

China resumed flights to Mongolia on Tuesday after a 30-year lapse, with service scheduled for Tuesdays and Fridays between Beijing and Ulan Bator. *(AFP)*

The Weather

Forecast for Thursday through Saturday



North America

Thursday into Saturday's weather will be hot across the Prairies of Canada and may turn out to be the hottest weather of the summer thus far. No widespread rain is foreseen in the United States, thus prolonging the drought in the Midwest.

Europe

Scattered, heavy thunderstorms will bring temporary relief from the heat to eastern Spain late this week. Southern Great Britain and much of France eastward through Germany will have scattered rain Thursday, then warmer weather by Saturday.

Asia

Downpours will be scattered from Hong Kong to Shanghai Thursday into the weekend. Rainy weather may return to Seoul Friday. Tokyo will have some dry weather and perhaps a few showers. Thunderstorms will dot steamy Southeast Asia.

Europe

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Algarve	26/86	21/70 s	35/95	23/73 s
Amsterdam	21/70	18/64 c	23/73	17/62 pc
Athens	31/88	20/68 s	31/88	20/68 s
Barcelona	32/89	20/68 s	32/89	19/66 s
Belgrade	26/82	13/55 s	28/82	13/55 s
Berlin	25/77	17/62 t	23/73	18/61 pc
Brussels	24/75	17/62 c	24/75	16/61 pc
Budapest	27/80	14/57 pc	29/84	14/57 sh
Copenhagen	21/70	14/57 sh	22/71	12/53 c
Costa Del Sol	34/93	23/73 s	34/93	22/71 s
Dublin	21/70	11/52 c	19/66	12/53 s
Edinburgh	18/64	11/52 sh	19/66	10/50 pc
Florence	32/89	18/64 s	32/89	18/64 s
Frankfurt	28/79	15/61 pc	27/81	17/62 pc
Geneva	29/84	16/61 t	27/80	17/62 pc
Helsinki	22/71	14/57 sh	19/66	12/53 sh
Las Palmas	32/89	22/71 pc	32/89	22/71 pc
Leningrad	27/80	13/55 c	19/66	11/52 sh
Lisbon	31/88	21/70 s	36/97	20/68 s
London	24/75	14/57 pc	26/79	13/55 s
Madrid	27/80	22/71 s	37/99	22/71 s
Milan	31/88	18/64 s	31/88	18/64 s
Moscow	29/84	16/61 pc	26/79	17/62 pc
Munich	27/80	18/64 s	27/80	17/62 pc
Nice	31/88	20/68 s	31/88	20/68 s
Oslo	17/62	15/59 sh	20/68	10/50 c
Paris	26/79	19/66 pc	27/80	18/64 pc
Prague	25/77	15/59 pc	23/73	14/57 pc
Reykjavik	15/59	9/48 sh	15/59	9/48 pc
Rome	31/88	19/66 s	31/88	19/66 s
Stockholm	23/73	15/59 sh	19/66	11/52 sh
Strasbourg	26/79	18/64 s	27/80	17/62 pc
Venice	31/88	18/64 s	31/88	18/64 s
Vienna	28/82	13/55 s	27/80	14/57 sh
Warsaw	25/77	16/61 t	24/75	16/61 sh
Zurich	28/82	17/62 s	29/84	18/64 pc

Middle East

Ankara	25/77	14/57 pc	25/79	14/57 pc
Beirut	32/89	22/71 s	32/89	22/71 s
Cairo	33/91	19/66 s	33/91	19/66 s
Damascus	33/91	18/64 s	34/93	19/66 s
Istanbul	25/77	17/62 pc	26/79	18/61 pc
Jerusalem	30/86	17/62 s	31/88	17/62 s
Riyadh	43/109	27/80 s	43/109	28/82 s

Oceania

Auckland	14/57	11/52 r	14/57	11/52 r
Sydney	21/70	9/48 pc	20/68	9/48 pc

Asia

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Bangkok	32/89	26/79 t	32/89	26/79 pc
Beijing	27/80	22/71 pc	31/88	24/75 pc
Hong Kong	31/88	28/77 t	30/86	22/71 t
Manila	32/89	26/79 pc	32/89	26/79 pc
New Delhi	39/102	30/86 pc	39/102	30/86 s
Seoul	27/80	23/73 pc	28/82	22/71 pc
Shanghai	32/89	23/73 s	32/89	24/75 t
Singapore	32/89	26/79 pc	32/89	27/80 pc
Taipei	31/88	22/71 pc	34/93	24/75 pc
Tokyo	30/86	22/71 t	31/88	24/75 t

Africa

Algiers	33/91	21/70 s	33/91	20/68 pc
Cape Town	16/61	9/48 pc	16/61	8/46 pc
Casablanca	34/93	20/68 pc	29/84	20/68 s
Harare	26/79	14/61 s	26/79	15/61 s
Lagos	30/86	24/75 pc	30/86	23/73 pc
Nairobi	22/71	13/55 pc	22/71	13/55 pc
Tunis	32/89	21/70 s	32/89	21/70 s

Latin America

Buenos Aires	14/57	0/32 pc	12/53	1/34 c
Caracas	31/88	24/75 pc	30/86	24/75 pc
Lima	17/62	15/59 c	19/66	12/53 pc
Mexico City	24/75	13/55 t	23/73	13/55 pc
Rio de Janeiro	23/73	16/61 sh	23/73	18/61 s

North America

Anchorage	18/64	11/52 pc	19/66	7/44 c
Atlanta	33/91	23/73 t	33/91	23/73 t
Boston	27/80	19/66 pc	28/82	18/64 s
Chicago	27/80	18/64 pc	29/84	18/64 pc
Denver	29/84	15/59 t	29/84	15/59 t
Detroit	27/80	17/62 pc	28/82	17/62 s
Honolulu	31/88	23/73 pc	32/89	23/73 pc
Houston	34/93	23/73 t	34/93	24/75 t
Los Angeles	28/79	17/62 pc	27/80	17/62 pc
Miami	32/89	26/79 t	32/89	25/77 pc
Minneapolis	25/77	15/59 pc	28/82	19/66 pc
Montreal	25/77	13/55 pc	27/80	13/55 s
Nassau	31/88	25/77 pc	31/88	26/79 pc
New York	28/82	19/66 pc	27/80	21/70 s
Phoenix	40/104	27/80 s	40/104	28/82 pc
San Fran.	22/71	13/55 pc	19/66	13/55 pc
Seattle	26/79	14/57 pc	27/80	14/57 pc
Toronto	25/77	12/53 pc	28/79	13/55 s
Washington	29/84	20/68 pc	30/86	21/70 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice.
All maps, forecasts and data by AccuWeather, Inc.©1991

Luke Frazza/Agence France-Presse

ON THE FAST TRACK — President George Bush stripping off a T-shirt after a hot day's jogging at Fort McNair, in Washington, before starting his vacation in Kennebunkport, Maine.

In Budget Fight, Tougher Tactics for Arms Lobby

By Eric Schmitt
New York Times Service

WASHINGTON — At a Washington hotel in May, Northrop Corp. summoned the top executives of 100 companies that supply parts and services to the B-2 stealth bomber for an extraordinary war council.

Congress was again threatening to cancel the bat-winged plane with its $865-million-a-copy price tag, and Northrop and its suppliers needed to fight back or face financial ruin.

Senior U.S. Air Force officials wheeled out charts showing that eight F-117 stealth planes could have accomplished the same mission in the Gulf war that it took 60 conventional warplanes to do.

Even better, none of the radar-evading F-117s was hit by Iraqi fire. Now, the officials said, imagine two larger, stealthier B-2s that could do the job of eight F-117s.

"Stealth saves lives," said Northrop's chairman, Kent Kresa.

With this rallying cry ringing in their ears, the executives fanned out across Washington to lobby their lawmakers and then returned home to urge their employees to do the same in a full-court press on the fate of the B-2, a heated and pivotal issue in the current congressional battle over how to cut the military budget.

U.S. military contractors and their lobbyists, under intense pressure from sharply shrinking Pentagon budgets and the collapse of Cold War tensions, have developed new and in some ways more aggressive strategies than ever to tailor their tactics to the changing times and to preserve as much as they can of their multibillion-dollar industry.

They are seizing on another stalwart of the Gulf war, the Scud-busting Patriot anti-missile missile, as a justification for reviving the Strategic Defense Initiative, the vast anti-missile defense system proposed by President Ronald Reagan in 1983.

Some companies have increased their lobbying staffs in Washington or have decided to relocate their headquarters there to be nearer the decision makers. They are enlisting help from all quarters — local chambers of commerce, churches, school boards and unions.

They have taken to criticizing competing contractors' weapons or programs — long a taboo — and when this has not worked, these old archenemies have been teaming up to lobby together and share contracts.

Nevertheless, about 12 percent has already been cut from the Pentagon budget in the last five years, and an additional 25 percent — or more — seems destined to go by the mid-1990s. So, despite their newly intensified efforts, the contractors and lobbyists seem caught in a scene from an Indiana Jones movie: the budgetary walls are closing in with little room to escape.

"They're in a state of shock," said Senator John S. McCain 3d, an Arizona Republican on the Armed Services Committee. "No one's pushing new programs — they're just trying to hold on to what they've got."

On the other hand, some, like Indiana Jones, may escape relatively unscathed. The Bush administration seeks to cut many expensive conventional-weapons programs, but in pushing the B-2 and SDI, it is backing two of the most expensive weapons systems ever designed.

The answer to the question of which weapons systems will be saved and which killed rests largely with two Democrats: Representative Les Aspin of Wisconsin, chairman of the House Armed Services Committee, and Senator Sam Nunn of Georgia, chairman of the Senate Armed Services Committee.

For the moment, neither is divulging his strategy to iron out differences between the rival House and Senate military budget bills for fiscal 1992, although there are preliminary indications of how the tough issues will be resolved.

Emerging from the Nunn and Aspin committees and their respective chambers are bills that essentially are negotiating positions staked out for the final Senate-House bargaining session this autumn.

In the Reagan administration, when military spending was climbing steeply every year, the generals and admirals at the Pentagon had little problem fitting new or expanded weapons programs into budgets that Congress provided — or in persuading Congress to expand the budgets. And the lobbyists had little problem with the generals and admirals.

There are 108 lobbyists now registered as representing the 10 largest U.S. military contractors, and there are scores of other unregistered contractors' representatives and public relations people. They have traditionally done their talking in settings that ranged from the legislative offices or hallways of Capitol Hill to gatherings in expensive Washington restaurants to duck-hunting marshes in Maryland.

But now, when the generals and program managers crafting budget requests to Congress meet with contractors, the generals may well nod in agreement over the beauty of a newly designed weapon, but then explain that the dollars will not be there.

The lobbyists acknowledge that the usual congressional targets of their persuasion are becoming much tougher to persuade.

"The Armed Services Committees and staffs are doing their business in a more orderly process, and in many ways that leaves lobbyists less of a role," said Robert Robison, former president of Robison International, whose clients include McDonnell Douglas Corp., FMC Corp. and British Aerospace.

In these lean times for the lobbyists, most are pressing harder for the slightest edge to advance or at least preserve their programs.

General Dynamics Corp., the second-largest U.S. military contractor, has announced that it will move its corporate headquarters to northern Virginia from St. Louis, Missouri, to have "our leadership closer to our principal customers and policymakers," said William A. Anders, its chairman and chief executive.

Raytheon Co., maker of the Patriot missile, has revamped its advertising campaign to include the Scud-busting rocket in magazine ads for its other products — even for asphalt mixers and air-traffic control towers — in hopes that the anti-ballistic luster will somehow rub off.

Cuba to Let More People Emigrate

Compiled by Our Staff From Dispatches

HAVANA — The government has announced that all Cubans over 20 are free to leave the country.

A report this week by the government news agency Prensa Latina said the decision was a part of a process begun last year to reduce age requirements for Cubans wishing to travel to the United States to visit relatives.

Previous requirements had blocked the departure of people near military age, but President Fidel Castro has said the minimum may be cut to 18.

The loosening of Cuban bonds occurs at a time when the United States is tightening entry requirements for immigration, which has increased sharply because of Cuba's deteriorating economy.

The United States has temporarily frozen six-month visa applications and is reported to be planning further measures.

State Department officials have said there are 28,000 visa applications pending from Cubans and that if they continue at the current rate the number of applications will reach 100,000 this year, triple that of last year.

The New York Times reported recently that the Pentagon had drawn up plans for a naval blockade of Cuba if Mr. Castro sought to allow another exodus along the lines of the 1980 "boatlift." At that time, he opened the port of Mariel, west of Havana, to those who wanted to leave.

The Mariel exodus brought more than 125,000 Cubans to the United States in the space of several days.

(AP, AFP)

Quayle Aims to Streamline Civil Justice

By Saundra Torry
Washington Post Service

WASHINGTON — Vice President Dan Quayle is preparing to unveil a package of recommendations — including a limit on punitive damages — aimed at cutting costs and delays in the civil justice system, officials say.

The punitive damages proposal, and another requiring losing parties in many civil suits to pay the winner's legal bills, will be among more than 35 recommendations that Mr. Quayle plans to submit to the American Bar Association convention next week in his role as chairman of the President's Council on Competitiveness.

The proposals call for state or federal legislation or changes in certain federal court rules.

The punitive damages recommendation will intensify a long-running battle between industry and business groups, which have long sought to limit these awards, and consumer advocates and trial lawyers, who have opposed such changes.

A number of states have adopted a variety of punitive damage limits.

Punitive damages are awarded after trial to punish wrongdoers and to deter future misconduct. They often soar above compensatory damages awarded in the same case, which are intended to cover actual injuries.

Under Mr. Quayle's proposal, punitive damages could be no greater than the amount of compensatory damages awarded at a trial.

The "civil justice reform" package also includes proposals that would:

- Shift payment of legal fees to the losing party in certain types of lawsuits filed in federal courts, a major change from the present system in which each side generally bears its attorney's fees, win or lose.
- Raise the standard of proof to win punitive damages, requiring plaintiffs to make a stronger showing of evidence.
- Provide more incentives in the legal system to use "alternative dispute resolution" — programs like mediation and arbitration as alternatives to costly court battles.

New Yorkers Pay a Call on Dinkins, Throwing in Their 2 Cents' Worth

By James C. McKinley Jr.
New York Times Service

NEW YORK — Carlos A. Foster, wearing a Western bandanna, a Stetson and riding boots, wanted the mayor to send cowboys on horseback into poor neighborhoods to teach children, between rope tricks, about AIDS.

Dan Gould thought the city should ban cars and trucks during the day south of 96th Street, making Manhattan a traffic-free mall.

Gilbert McKelvie would open storefront psychologists' offices to stop people from jumping off bridges.

They were among thousands of New Yorkers who lined up for hours Monday outside City Hall to see Mayor David N. Dinkins and throw in their two cents' worth about how the city is not working or could work better.

Mr. Dinkins announced the day of meetings with residents at the end of a speech last week in which he outlined a mix of remedies to pull the city out of its fiscal morass.

Some ideas presented Monday were farfetched, to say the least. Others, for instance a proposal to sell inexpensive city bonds to small investors, were received warmly by the mayor and may become reality.

Most of the 2,200 people in line never got to see the mayor. Instead they were sent to a room in which harried officials sat like college registrars at tables behind signs announcing their department names.

But at least 54 people got a personal audience with Mr. Dinkins. None of them appeared to be disappointed with the reception.

"I'm ecstatic," said Dr. Cary Goodman, an elementary school gym teacher who waited five hours to propose that the city hold a world's fair for children. "I couldn't think of a better way to spend my day."

Mr. Dinkins seemed equally pleased.

"There were some interesting notions and good people," he said. "But I suppose the thing that stood out more than anything else was the fact that people cared so much for our city."

They came to expose welfare scams and to ask the mayor to visit their churches. They proposed everything from leasing parking spaces on city streets to getting rid of water coolers in city offices to using state lottery money to save libraries.

One man wanted to hold a "mosaic festival" in a city park. Another was seeking the use of a city building to house a can-redemption center run by the homeless.

Outside, things seemed like a cross between a carnival and an open house at school. It was a circus of guerrilla theater, celebrity seekers and members of special interest groups that usually have trouble being heard.

Along with ordinary taxpayers, business owners and community activists, those in line included a woman with an 11-foot (3.3-meter) Burmese python; a Santa Claus; a man dressed in red calling himself Crack Man, who railed against drug abuse, and Aaron Kay, also known as the Pie Man, who in the '60s attained his 15 minutes of fame throwing pies at famous politicians.

"I'm here to lay the verbal pie, man," Mr. Kay said. He did not meet the mayor.

N.Y. Professor Says Jews Plotted Against Blacks

By Jacques Steinberg
New York Times Service

NEW YORK — In a lecture last month that was subsidized by three New York state agencies, a controversial black City College professor accused Jews of squelching the progress of blacks in the United States.

The professor, Leonard Jeffries Jr., cited "a conspiracy, planned and plotted and programmed out of Hollywood," by "people called Greenberg and Weisberg and Trigliani," according to a videotape of the speech provided by WNBC-TV.

"Russian Jewry had a particular control over the movies," Mr. Jeffries said, "and their financial partners, the Mafia, put together a financial system of destruction of black people."

Mr. Jeffries made his remarks in Albany, New York, on July 20 at the Empire State Black Arts and Cultural Festival. The festival was sponsored by Governor Mario M. Cuomo's Advisory Committee on Black Affairs, the state's Martin Luther King Jr. Commission and the State University of New York's African-American Institute.

Mr. Jeffries also sharply attacked Diane Ravitch, an assistant state education secretary, whom he described as "the ultimate, supreme, sophisticated, debonair racist," according to the videotape.

The New York Post, which first disclosed the contents of the lecture on Monday, quoted Mr. Jeffries as calling Ms. Ravitch a "Texas Jew."

Last spring, a City College faculty committee rebuked Mr. Jeffries, who is chairman of the African-American Studies Department, for comments about racial superiority that it described as "outrageous and possibly offensive."

The committee also recommended that the college take no disciplinary action.

Mr. Jeffries has lectured in his classes that people of European ancestry, whom he calls the "ice people," are fundamentally materialistic, greedy and intent on domination. He has said that people of African descent, whom he calls the "sun people," are essentially humanistic and communal.

Thomas Foes 'Out of Touch,' Bush Says

United Press International

WASHINGTON — President George Bush defended his Supreme Court nominee, Clarence Thomas, Tuesday as the victim of "ideological attacks" by opposition groups "out of touch with mainstream America."

One day after a national association of black lawyers refused to endorse the nomination, Mr. Bush portrayed Mr. Thomas, a black who rose from poverty to the federal bench, as the embodiment of "the values that we hold dear."

Mr. Bush inserted the defense of Mr. Thomas into a speech to law-enforcement officials and anti-crime activists at the new offices of the Drug Enforcement Administration in nearby Arlington, Virginia.

The comments came after the National Bar Association, an organization of black lawyers, voted to deny Mr. Thomas its endorsement. This was the latest in a series of expressions of concern from civil rights and liberal groups that Mr. Thomas's conservatism could give the court a strong conservative majority for years to come.

Despite opposition from the National Association for the Advancement of Colored People and the AFL-CIO, Mr. Bush asserted that Mr. Thomas has attracted "tremendous support from a broad cross section of America" and is "overwhelmingly supported" by minorities. Mr. Thomas was nominated after Thurgood Marshall, the first black member of the Supreme Court, announced his retirement.

Third World Births Decline, but Earth's Population Grows

By Don Oberdorfer
Washington Post Service

WASHINGTON — Fertility in the developing world has declined sharply and unexpectedly in the past two decades, but the shift is insufficient to head off continued rapid population growth, according to a new international survey.

Latest information from the Demographic and Health Surveys, a nine-year study funded by the Agency for International Development, indicates that fertility rates in the developing world have declined by about one-third since the late 1960s — to 4.2 births per woman from 6.1 births per woman.

In the 14 largest developing countries, including China and India, fertility declined by nearly two-thirds in this period, according to the study.

Demographers and other population experts attending the Demographic and Health Surveys World Conference, which convened here Monday, said that such sharp reductions were dramatic and almost revolutionary, although they go roughly only halfway toward stopping the world's rapid population growth. In order to stabilize the world's population, the fertility rate would have to come down to about two children per woman.

Martin Vaessen, director of the study, said the shift meant that for a variety of reasons, "women don't want to have as many children." He and other experts said the change was associated with an increase in the educational level of women, the availability of contraceptives and other means of birth control, as well as changes in basic attitudes about family life.

Charles F. Westoff, director of Princeton's Office of Population Research and senior demographic adviser to the study, said the media had been influential in disseminating information. Transistor radios, television and literacy bring an exposure to the idea that "fertility control is legitimate and is experienced by large numbers of people in the rest of the world," he said.

Despite the gains, Mr. Westoff said, there is an "extensive unmet need" for contraceptives and other aspects of family planning to deal with expanding world population trends.

The bad news in the new information, according to Duff G. Gillespie, director of AID's Population Bureau, is that because of the tremendously large number of young people of prime child-bearing age, there will be twice as many people on Earth in about 30 years as there are today.

"There is nothing anybody can do to hold back that tide due to the population momentum," Mr. Gillespie said.

The survey, which covered 28 countries, indicates that the fertility decline is uneven among the regions of the world and even within specific regions.

Northeast Asia, including China and Korea, is the only region of the developing world approaching zero population growth, with an overall fertility rate of 2.3 births per woman. On the other hand, fertility rates of 4 to 5 births per woman were recorded in Southeast Asia and Latin America, 5 to 6 in South Asia, West Asia and Northern Africa, and 6.4 in sub-Sahara Africa, according to the study.

There was some change reported from sub-Sahara Africa. The studies provided "the first evidence of fertility decline" in Botswana, Kenya and Zimbabwe, according to reports to the conference.

"A life of service must be one of humility. One who would sacrifice his life for others has hardly time to reserve for himself a place in the sun."
Mahatma Gandhi, India 1944

"Service is the first sign of leadership."
Don, 1991.

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Herald Tribune INTERNATIONAL
Published With The New York Times and The Washington Post

OPINION

It's Up to the Serbs

A great wrong is unfolding in Yugoslavia, where the powerful Serbs relentlessly apply the power of the central state against small and would-be independent Croatia. Not only are they encouraging fellow Serbs (12 percent) in Croatia to claim autonomy or integration with Serbia, a result that could reduce Croatian territory by 40 percent. Serbs are also using the ostensibly neutral federal army, whose officer corps they dominate, to support Croatia's Serbian militants. Further, the Serbs are sloughing off international mediation in order to create "Greater Serbia" on the ground before any negotiation begins. Already hundreds (mostly Croats) are dead and tens of thousands uprooted as the army-supported militants roll over undermanned Croatian guard units. A wider war looms.

It is so that, historically, Croats have much to answer for: a Nazi puppet regime sprouted in Croatia in the war and committed untold atrocities on Serbs and others. Serbs have their own crimes to answer for. All this terrible ethnic history is being raked up now to feed political purposes of the moment. In no way, however, can Serbia's policy today be passed off either as a justified response to grievances of the past or as a "Balkan" crudity that others had best indulge. Down either of those roads lies the rationale for limitless slaughter. In the current phase the Croatian leadership has made tactical mistakes, but the Serbian socialist strongman, Slobodan Milosevic, is committing a serious offense against justice and the common welfare. For a like assault against an ethnic minority, an international coalition decided just a few months ago to rescue Iraq's beleaguered Kurds.

In this instance, the European Community is the appropriate international body to step forward. It has sent diplomatic missions, which have so far failed to cool down Croatia the way the EC earlier cooled down Slovenia, well launched now toward independence; that population of Serbs in Croatia makes the difference. The EC is reluctant to move on to dispatch armed peacekeepers, which is what the situation requires. All the more reason then for everyone concerned to turn up the political heat and demand that the Serbs act like good Europeans and settle their differences peacefully.

Especially does this go for the United States, which has been nervously dragging behind the EC. The point should be not to sketch out a settlement but to press Serbia into a negotiating process before an unavoidable trauma takes on the dimensions of true catastrophe.

— THE WASHINGTON POST.

All in the Family

The medical technology that has made it possible for Arlette Schweitzer to bear her own grandchildren is very new, but the reason why she used that technology is very old. She is doing for her daughter what her daughter cannot do for herself.

The 1978 birth of Louise Brown, the first child ever conceived in a Petri dish, was curiously akin to the opening of Pandora's box. What that birth loosed upon the world, however, were not human ills but some painfully human predicaments.

Surrogate parenthood, once touted as a solution to the problem of female infertility, has a terrible potential for causing pain. Some women, most notably Mary Beth Whitehead-Gould, have refused to give up what are, after all, their biological children. After a trial and an appeal, Mrs. Whitehead-Gould's daughter was awarded to the father; Mrs. Whitehead-Gould got visitation rights. And recently a California woman in whose uterus an embryo had been implanted was ordered by the court to relinquish a baby to which she had no biological ties whatever.

Always there is the question about whether a "surrogate parent" contract, for money, amounts to an illegal bill of sale for a baby. And years off in the answering is the question whether children who have entered the world by so circuitous a route are emotionally damaged in the journey.

But Mrs. Schweitzer's scenario is simpler. Her daughter, Christa Uchytil, was born without a uterus. "I wish you could transplant [mine]," she told Christa's doctor, "because I'll never need it again." Six years later she is carrying twins produced from her daughter's eggs and fertilized in a laboratory dish by her son-in-law's sperm. Mrs. Schweitzer has indeed given her daughter her uterus.

Countless parents know what it is to want to trade their health for their child's illness — their good luck for their son's or daughter's misfortune. They, better than anyone, will understand an Arlette Schweitzer.

— THE NEW YORK TIMES.

Choice for Democrats

The Democrats are going to have to choose among abandoning their agenda, abandoning last year's budget agreement and enacting a progressive tax increase. They can't choose "none of the above." That is the moral of the Congress thus far.

The latest embarrassing demonstrations occurred last week in the House. The Democrats pride themselves on being the party of tax fairness, and most of the time rightly so. To finance two of the progressive accomplishments to which the party hopes to be able to point in next year's elections, their leaders were nonetheless asking them, as second best, to increase two regressive taxes.

To avoid increasing the deficit while providing additional benefits to the unemployed who exhaust the standard 26 weeks, they were asked to support an increase in a payroll tax. The tax was reworked to make it lighter on lower-wage jobs and heavier on higher-wage ones. The Ways and Means Committee still rejected it, making life easier for the president, who can now reject on fiscal grounds a bill he didn't like anyway. Already late, this aid to the recession's victims will be later still, if it flows at all.

In the name of jobs, recovery and infrastructure, the leadership also proposed a nickel increase in the gasoline tax to finance a five-year highway and mass transit bill nearly 50 percent larger than the administration proposed. The gasoline tax has many virtues — it would promote both badly needed energy conservation and cleaner air — but progressivity and popularity are not among them. The bill lacked the votes and had to be pulled.

The unemployment and highway bills are just down payments. The Democrats know plenty of other steps they want to take before the election. They want to give a tax cut to the middle class and poor, provide wider access to health care, make Head Start an entitlement, increase college student aid, pump up the food stamp program by about 10 percent, extend an expiring tax credit meant to produce low-income housing, strengthen child welfare programs. But all cost money, the president suggests he would love nothing more than to have tax-and-spend back as a campaign issue — and if the Democrats really want to cut taxes, leading Republicans are already gearing up to outbid them.

The worst result of all these pressures may also be the likeliest: that the budget agreement will fail. It has the fewest friends. It was always understood that the agreement would have to be renegotiated after the election; its spending caps for fiscal 1994 and 1995 are tighter than either party is prepared to live with. But can it survive until the election? That is increasingly the question.

— THE WASHINGTON POST.

Sick Jokes That Hurt

It is no surprise that raw jokes are sweeping America in the wake of the grisly Dahmer multiple murder case in Milwaukee and the Pee-wee Herman morals case in Sarasota. Sick jokes, however tasteless, have become a staple defense against shocking news, especially since the Challenger space shuttle exploded, on live television, in 1986.

Neither is it any surprise that the Dahmer and Herman jokes travel so fast. Wisecracks that used to filter one at a time from Wall Street and Madison Avenue now flash instantly, NEXT PAGE after NEXT PAGE, on E-Mail. Some have even made it into print and onto the air, then to surge through the young boy network. What is surprising is the equivalence given to the two situations. Thoughtlessly, people tell masturbation jokes and cannibal jokes interchangeably, and in one two-liner join the two cases.

There is need for people to distance themselves from the horror, not yet fully fathomed, of the Dahmer case. It is as though "The Silence of the Lambs" had suddenly burst from flat-screen fiction into inescapable 3-D reality. But the Herman case involves no horror; arguably not even a crime.

There seems to be little doubt that Paul Reubens, the actor who created Pee-wee Herman, violated the special standard that society rightly imposes on personalities of the world of children. The Sarasota sheriff's office feels strongly enough about the evil of "manipulating the genitalia" in an X-rated movie house that it posts three undercover detectives there. But even assuming that the charge stands, the question remains, who was harmed?

The equivalence given to the Dahmer and Herman jokes is, surely, a coincidence, but a sad one. Finding a punishment to fit the unspeakable Milwaukee crimes will be difficult. Paul Reubens, his career already in ruins, suffers new punishment every day. From jokes.

— THE NEW YORK TIMES.

Other Comment

Overarming Looks Senseless

The potential of trust accumulated after the Cold War allows Moscow and Washington to start building jointly a system of reliable security under conditions of openness, stability and predictability. The deeper the interdependence of states, the more senseless being overarmed looks. The problems mankind faces on the threshold of a new millennium are tightly interlaced. They can be solved only as a whole. It is necessary to grasp the main link: nuclear disarmament.

— Pravda (Moscow).

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From Close Up, This Revolution Looks Like a Mess

By Robert G. Kaiser

MOSCOW — In the midst of a true revolution, it is not easy to describe the surroundings. Revolutions do not offer signposts or maps or timetables. The new Russian revolution is destroying the old Soviet Union, but this destruction is occurring chaotically.

This country is now in the process of losing its money. In a matter of months the ruble will be just about worthless — a terrifying prospect for a society that has long valued stability and predictability.

The Communist Party that governed the country for 70 years is crumbling; it, too, will lose most of its value in the months ahead.

Conversations with citizens while George Bush was in Moscow revealed only fleeting interest in him, but persistent anxiety about the coming winter. Russians expect grave shortages of food, and fear that there may not be enough fuel to heat the tiny apartments in which they hide from winter's cold.

Many Russians seem torn by the realization that lifting the old totalitarian controls does not ensure a better society.

The first years of Mikhail Gorbachev were dominated by spellbinding political struggles between old and new. After nearly six and a half years, the new has won almost all of them. The Communist Party no longer rules the land. The horrific Soviet past has finally been exposed, debated and digested. The banned books that Russians passed secretly from hand to hand for decades have now been published openly. Lenin, the last icon and the last taboo, has become just another target of reformers' criticism.

The speed at which a true revolution proceeds is dizzying. The issues that seemed so important and compelling just months ago are already forgotten. Events that occurred in the first two or three Gorbachev years are treated as ancient history. Every month or so there seems to be a whole new agenda, filled with crises that no one could have imagined two months earlier.

People who once seemed crucial — for example, Alexander Yakovlev, Mr. Gorbachev's right-hand man for five years — are now relatively insignificant. Newspapers and journals that led the way in the first phases of glasnost, including Moscow News and Ogonyok, are now of no great importance.

In its desperate effort to maintain power, the government this year will print more than 150 billion rubles, according to Vasili Selyunin, an economist whose articles have made him one of the best known spokesmen for radical reform. That would be more than the number of rubles that were in circulation at the beginning of the year. The money supply is now completely out of control, guaranteeing hyperinflation in the months ahead as the excess of rubles chases a steadily declining quantity of goods. The Soviet equivalent of gross national product will decline by as much as 25 percent in 1991.

Mr. Gorbachev has issued scores of decrees ordering various solutions to the economic crisis, but the decrees have no effect. "There will be a grave financial crisis in October-November," predicts Gennadi Burbulis, an engaging young man from Sverdlovsk who has emerged as Boris Yeltsin's key strategist. "My credo," he said in an interview in his office, "is that the best and strongest leader today is the one who has the deepest and best knowledge of economics." He obviously intends that this will be Mr. Yeltsin.

Mr. Gorbachev, Mr. Burbulis observed, has "weakened himself" by continuing to believe that the old economic structure can somehow still be exploited to help save the situation.

A new wave of strikes is expected to begin soon. Air traffic controllers may go first. The miners are restless, but without their coal the country could freeze this winter.

When it began, the crumbling of the old order brought a sense of satisfaction, even exhilaration to a great many Russians, but as disintegration continues, satisfaction has been replaced by anger, fear and frustration. For the intelligentsia — the relatively small caste of educated Russians who were Mr. Gorbachev's first and most fervent supporters — the current situation can be particularly trying.

For many generations of Russian intellectuals, literature was the great provider — of spiritual solace, of political ideas, of moral support. Writers, not politicians, conducted the struggle against arbitrary power in the old Soviet Union. But suddenly there is no need for literature, and no audience, either. The writers, even those who happily joined battle with the old regime, have fallen silent.

'Comrades, . . .'

A gaping generation gap has developed. According to one magazine editor, new opinion surveys of young people in Leningrad and Moscow found that half of them hope to work abroad or emigrate from Russia. People too young to share any sense of excitement over the new freedoms here look cynically at their elders, and are impatient with the slow pace of change. Young people in Moscow dismiss their elders who were associated with the bad old days with the slang word "Sovok" — a diminutive form of the word "Soviet," but also the Russian word for dustpan.

Many Russians seem torn by the realization that removing the old totalitarian controls does not ensure a better society. "It is amazing to me," said an artist who has found undreamed of new success in Paris and New York since he was allowed to travel abroad and sell his paintings, "that so much freedom could lead to so much *poshlost*" — one of the Russian words that Vladimir Nabokov declared untranslatable. In the artist's sentence, it meant vulgarity, stupidity — a mess.

For now, at least, a mess is what the country is in. One of the most outspoken new political figures is Gavriil Popov, who recently won direct election to the job of mayor of Moscow. Formerly an economist at Moscow State University, he is bluntly pessimistic.

He says the country needs a new kind of strong executive power to allow mayors, among others, to govern effectively. It needs "a reliable legal system" that will protect both citizens and a new system. It needs "a market infrastructure — banks, stock exchanges and so on." It needs real competition.

People don't even understand that all this is necessary yet, Mr. Popov complained. It would take five to 10 years for this program to work, but "it hasn't even started yet."

The Washington Post.

If Gorbachev Is Serious, He'll Drop His Hard-Line Mutineers

By Jeremy R. Azrael and Sergei Zamascikov

SANTA MONICA, California — At the summit meeting in Moscow, George Bush did not repeat U.S. statements about the irreversibility of reform in the Soviet Union. This pleased reformers, who are far less optimistic about the momentum and durability of the process than many Western well-wishers.

If the reformers had had their way, President Bush would have sounded a cautionary note. He would have expressed concern about the barely concealed calls for a counterrevolutionary coup recently issued by high-ranking military and police officers. They include Defense Minister Dmitri Yazov, Interior Minister Boris Pugo and the KGB chief Vladimir Kryuchkov.

These calls for vigilance against supposed CIA agents of influence in the Kremlin and Western plans to dismember the Soviet Union were clearly inspired by the prospective signing of a new union treaty. The treaty implicitly grants independence to republics wishing to secede and drastically changes the power relationship between Moscow and the remaining republics.

Faced with this prospect, the right-wing ideologue Alexander Prokhanov proclaimed, "Perhaps the time has come to say to hell with all these cunning laws and establish a dictatorship."

This expressed the sentiments of the other three participants in a roundtable discussion in Moscow in May: the commander of the navy, the commander of the General Staff Academy and the deputy chairman of the National Security Council.

The West got the rightists' message but has generally tended to discount it. Not so Soviet reformers.

This is not because they undervalue their achievements. They know that they have won the support of most of the population and their repeated electoral victories have not been flukes. Their pride is all the greater because of their ability to capture a sizable number of votes from officers and soldiers in the June 12 election for the Russian Republic's presidency won by Boris Yeltsin. The military had virtually been under orders to support either of two generals in the race.

Looking ahead, the reformers know they are making real headway in creating a party with an effective grass-roots presence and a coherent leadership.

Despite these impressive achievements, experience has taught the reformers that Mr. Gorbachev is easily intimidated by right-wing pressure and is sometimes inclined to surrender without a fight. They appreciate that a number of their victories have been close calls. What if rightist plans for a full-fledged crackdown in Lithuania last winter and for the introduction of martial law in Moscow in March had not been canceled at the last minute?

Messrs. Yazov, Pugo and Kryuchkov still control the guns, as is evident in the "black beret" attacks on Lithuanian border guards. What if the dramatic victories that reformers have scored in recent months, culminating in the signing of the union treaty, prompt these specialists in violence to act while they can still order their troops into action to preserve the union and to prevent the complete erosion of their power and authority? As Moscow's liberal Nezavisimaya Gazeta recently editorialized: "The conservative forces, aroused by their fear for their future, are merely temporarily disheartened and will carry on their struggle for survival. The only question is when they will try to take revenge."

As they consider their narrowing options, the rightists are undoubtedly aware of the forces militating against a successful seizure of power. They saw in Vilnius and Moscow that any major show of force is likely to precipitate mass resistance and give rise to a bloody confrontation. In such a situation their troops, already badly demoralized and politically divided, might well disobey orders.

To make matters worse, it is highly probable that a successful seizure of power would be followed by large-scale social unrest and a complete collapse of the fragile economy.

Given these risks, the conservative leaders of the armed forces and security services might blink rather than gamble everything on a last-ditch effort to preserve what they see as their embattled vital interests.

But this cannot be taken for granted. Some members of the high command seem convinced that the population longs for a strong hand and that the officer corps includes many specialists with the expertise to revitalize and manage the economy.

In short, a coup remains a danger. The threat seems certain to persist so long as Mr. Gorbachev lacks the courage to do what reformers urge and dismiss cabinet members and discipline officers who openly challenge his authority and defy his orders. He is in a far better position to act with impunity than ever before.

The ousting of insubordinate cabinet members will test the authenticity of his recent conversion to wholesale transformation of the highly militarized and overpoliced Soviet system. It is a test the West should encourage him to take. Unless and until he does, the West should be as cautious as Soviet reformers about accepting his bona fides as a trustworthy partner, let alone a genuine democrat. Unfortunately, in Moscow and especially in Kiev Mr. Bush seemed too inclined to take him at his word.

Mr. Azrael is a senior analyst at the Rand Corporation, where Mr. Zamascikov is a consultant. They contributed this comment to The New York Times.

With Baker's Help, the Arab World Is Finally Coming on Board

By Jim Hoagland

PARIS — Let us now praise Secretary of State James A. Baker 3d for significant good works in cobbling together a Middle East peace conference, whatever its ultimate fate. Consider these accomplishments:

Mr. Baker has proved against all odds that Yitzhak Shamir is a man who can take yes for an answer.

Mr. Baker has shown that Operation Desert Storm gave the United States new influence in the Arab world and improved the prospects for Arab-Israeli peace, instead of driving the Arab masses into the streets to burn American embassies.

And Mr. Baker has demonstrated that a Texas wheeler-dealer oilman lawyer deeply distrusted by one of the parties to a negotiation (Israel) and with no other success in hand to buoy his presidential ambitions can lead his horses to water — under all that baggage — if he just keeps promising contradictory things to all of them for as long as it takes.

The whirlpools and eddies of Israeli or Arab politics may yet capsize the October conference that Mr. Baker roped together in a 23-day dash across the globe. Mr. Shamir still has to overcome rearguard resistance at home to any negotiations about the West Bank, and the PLO's conflicting signals have to be clarified.

But initially the PLO has not said no, a word it knows well. Yasser Arafat strives to maintain not the suspense but the pretense. By stalling with a non-no, he pretends he is not totally isolated and morally and politically bankrupt. He pretends to have real strategic choices other than simply trying to save his skin.

Not even Mr. Shamir has been able to think up something to keep Mr. Arafat and Jordan's King Hussein from scrambling out of the trenches they occupied with Saddam Hussein a few months ago to climb aboard Mr. Baker's peace raft, however shaky.

Mr. Baker lured the Israeli prime minister into accepting his own terms for the conference as well. Mr. Shamir's demands on limiting the United Nations role and barring Palestinians who come from East Jerusalem have prevailed as conditions for holding the conference.

This tentative American success stands in stark contrast to the widely expressed fears a year ago that the Arab masses would burn U.S. embassies and overturn leaders friendly to America if the United States intervened militarily to cancel Iraq's aggression against Kuwait.

The reverse has happened. The Arab decision to cooperate with the United States in the wake of Operation Desert Storm is a cultural and political watershed in American-Arab relations.

"The Arab World proved not to be that ready for revolution, or that anti-American after all," Georgi Mirsky, one of the Soviet Union's top Middle East specialists, told me in Moscow last week. "Our Arabists were as wrong as yours."

How did this analytical failure happen? Part of the answer is contained in a fraying, wrinkled newspaper clipping from The New York Times of Jan. 25 that I carry around as a reminder that even keen observers can concentrate on context and background when they should be focusing on urgent reality. The letter to the editor is from the writer Jonathan Raban. I greatly admired his book "Arabia: A Journey Through the Labyrinth" when it appeared in the 1970s.

Mr. Raban opposed military action against Iraq, using an argument central to the thinking of Arabists but rarely stated as articulately:

The "anti-Iraq coalition forces . . . have raised the lid of the Pandora's box of the Middle East," he wrote. As "people who think of themselves as having been continually oppressed, slighted and insulted by the West," Arabs would follow "the twin calls of Palestine and Islamic solidarity" voiced by Saddam rather than "the calls to order made by insecure and unpopular national leaders" allied with the United States.

But the mass of the Arab World did not rally around Saddam or his apologists during or after the war. However "oppressed, slighted and insulted" the Arabs feel by Western civilization — and many have reason to feel that way — they did not use that feeling to excuse the atrocities committed by an international criminal from their own ranks.

Guilt over colonialism and patronizing attitudes about assumed Muslim rage against the West have turned out to be poor guides to what Arabs would do in the last decade of the 20th century.

Mr. Baker's success in getting the Arabs to accept American mediation in the wake of the American-led war against Iraq is an outward sign of deep changes in the Arab world not yet absorbed by many of the West's Arabists.

Those who patronize the Arabs will point to the adage that might makes right: American strength is now so overpowering in the Middle East that the Arabs have to play along. The temptation for hard-liners in Israel and elsewhere will be to exult in this new proof of Arab weakness and decline.

Both reactions miss the point. George Bush and Jim Baker have wrested from the Arab leaders a healthy recognition that they were traveling on a road to nowhere by ignoring the evil of Saddam and the chances of living in peace with Israel. That recognition is an essential first step in finding the road to a better future in the Middle East.

The Washington Post.

South Africa: Who Wants Education?

By Robert H. Phinny

PALM SPRINGS, California — South Africa's continued political and economic progress depends in large part on whether blacks gain the education and skills necessary to function as fully productive members of the post-apartheid society. Unfortunately, the outlook is not encouraging.

The past decade's boycott of the educational system by urban black children, led by the African National Congress, has produced a lost generation.

Half of South Africa's 30 million blacks are aged under 18. This is the group from which leaders must emerge to take part in the governing process as South Africa moves into the next century. Yet these young people have been educationally crippled by a combination of 30 years of apartheid education and the ANC-led boycott of such schools as have existed.

Young people who are potential leaders are sadly lacking in skills to govern adequately. By its boycott leadership, the ANC wound up damaging the prospects for all black South Africans.

While they disrupted the education of the black masses, the ANC's leaders and teachers have been sending their children to outstanding schools in other countries.

It is high time for the ANC and other black anti-apartheid organizations to recognize the situation and, in conjunction with white organizations, rectify it. All blacks and whites must start now to find ways to get black youths back in school and equip them to assume a productive role in the South Africa of the future.

The ANC, working with the government and other organizations, must expand efforts to support schools and stop encouraging youth to violence, telling them to attend school instead.

To get the children back to school, the government must accept greater financial obligation toward black pupils, open universities to black students on an ever growing scale and encourage white schools to have black pupils.

Negotiations should begin with business and commerce to establish training possibilities to enable black youths to make themselves employable. Recently a group of major companies agreed in principle to donate 500 million rand ($175 million) to promote education, with the funds to be administered by the Urban Foundation of Pretoria.

"A need exists to establish a code of conduct for pupils, parents and teachers, and inclusion of the community on the highest decision-making level," says David Maepa, spokesman for the Soweto Education Crisis Committee.

According to a senior official at the Department of Education and Training, principals and teachers in some schools in the Pretoria region have been intimidated into allowing self-elected student representative councils to handle the admission of pupils. At four schools, principals and teachers were chased away.

Use of education as a political weapon is a betrayal of the children.

During the last 10 years, the ANC has enlisted township youth to rebel against infrastructure of the white social order. And the anti-apartheid movement refused to compromise on the issue of disinvestment sanctions, thus dispensing with possible large contributions from foreign businesses to schools, job training, day care and other programs.

The ANC is of course aware of the educational problems for blacks in South Africa, but it has sanctioned destructive activities while condemning the government for the lack of black educational advantages. This can only slow the progress of black education.

The upshot is a generation of black youth out of control, seemingly untrainable school dropouts and troublemakers. An opportunity needs to be given to those young people who have chosen violence instead of the classroom by offering remedial education.

For a lasting solution to South Africa's problems, this issue must be recognized and addressed by the country's opinion leaders.

The writer is a specialist in Southern African affairs and a former U.S. ambassador to Swaziland. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: A Great Escape

PARIS — On Wednesday [Aug. 5] an elegantly-dressed gentleman entered M. Bisson's chemist's shop and offered for sale a quantity of drugs. M. Bisson found to his astonishment that the goods were his own. He sent his assistant for a policeman, and the elegant gentleman was marched off to the nearest station. He said that he was son-in-law of one of the Algerian Deputies. He was detained pending an inquiry and shortly after his incarceration was discovered rolling on the floor having swallowed some nitrate of silver. His next transition was to the Hôtel-Dieu, where he was supposed to be in a dying condition, and yesterday [Aug. 6] morning he was no more, having vanished over the garden wall.

1916: Strike Violence

NEW YORK — The traction strike, which is likely to involve the entire country, is spreading in the city. Police cordons have been strengthened at all trouble zones, but there were several clashes between strikers and non-union men. Agitation meetings have been broken up all over the city, the mounted squad in one instance charging and dispersing a mob. Several strikers were knocked down.

1941: 'Undeclared War'

WASHINGTON — [From our New York edition:] A formal declaration of policy upon which a majority of the Republican members of the House will stand in the forthcoming House fight on the draft extension legislation was adopted late today [Aug. 6] after a stormy party conference that for the most part was highly critical of the failure of the minority party in Congress to take a positive stand against the Roosevelt administration's "step-by-step" projection of the United States into undeclared war." The declaration cited the 1940 pledges of both Republican and Democratic platforms "to keep out of foreign wars."

OPINION

Try a Lot Harder to Keep America Glued Together

By Anthony Lewis

NEW YORK — Arthur Jones, 50, has been a janitor at the local electronics plant for the last 15 years. When the plant closes, he applies for a janitor's job at a tool company. He has good references, praising his honesty and hard work, but he doesn't get the job. The company requires a high school diploma, and he didn't finish school.

That is the kind of job qualification that President George Bush insists businesses must be allowed to impose under a new civil rights bill. He objects to legislation proposed by Senator John Danforth, Republican of Missouri that would open to challenge qualifications unnecessary to perform a particular job.

Why? Because, Mr. Bush said, to rule out irrelevant educational job requirements would "undermine the reform and renewal of our educational system by discouraging employers from relying on educational effort and achievement."

That explanation, given last week, seemed so far-fetched that it prompted ridicule. Mr. Danforth said it would be persuasive only "if you believe that an employer on his own is going to further educational policy by shutting out 50-year-old people who never got a high school diploma."

But there is a real issue underlying the president's pieties, and his disagreement with Mr. Danforth helps greatly to define it. The issue is how, and to what extent, the law should try to correct historic inequities faced by women and racial minorities in employment.

The Civil Rights Act of 1964 made job discrimination unlawful. But it used language so vague that its meaning was left to the courts to find.

In 1971, the Supreme Court held in the case of Griggs v. Duke Power that when a job qualification had a disparate impact on women or minorities, the 1964 act made it unlawful unless an employer could show that it was a business necessity. The burden of proof was on the employer.

The concept of "disparate impact" took the law beyond deliberate racist intent to practical effects. If a high educational standard, for example, resulted in a virtually all-white, all-male staff, the employer had to show a good business reason for the standard. In hundreds of cases, lower courts said that employers had to prove that challenged qualifications bore on the ability to do a job.

The Griggs interpretation of the 1964 act made a real difference in America. Professor Paul Gewirtz of Yale Law School, writing in the current issue of New Republic, said "it deserves more credit for integrating America's workplaces than any other law case."

Then, in 1989, the Supreme Court overruled the Griggs decision. It reversed the burden of proof, making employees prove that a challenged job qualification was not really related to business needs.

That new interpretation of the law has had a drastic effect. Along with other recent Supreme Court decisions, it has made it almost impossible for victims of alleged job discrimination to win lawsuits.

The question is whether to go back to the Griggs rule that governed for 18 years. And that is not, as the press often says, a "technical" question. It determines whether the law does something effective about job discrimination or not.

"The president says he agrees with Griggs, but he doesn't." That is how Mr. Danforth put it. And that is the real reason for doubts about Mr. Bush's position.

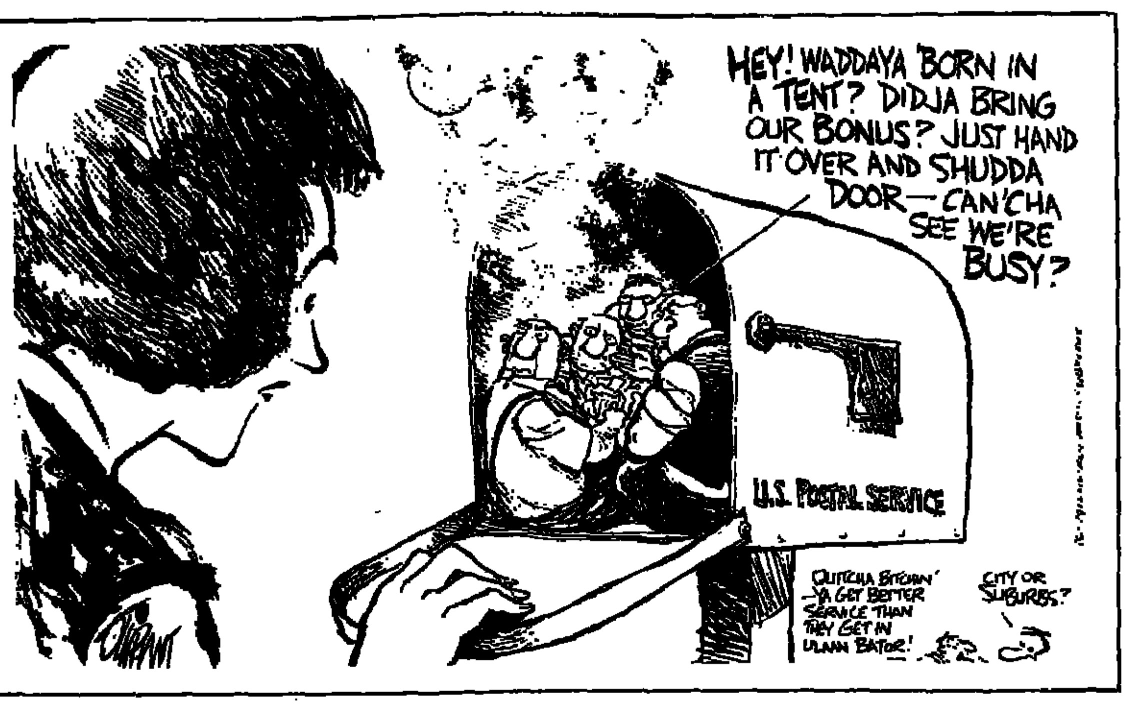
The president is not straight about what he is doing. He says he wants to fight job discrimination, but he finds far-out reasons to oppose a meaningful legal test to that end.

There is a real choice here: one described with fairness and clarity by Gewirtz. Using the law to enlarge job opportunities for minorities and women is not cost-free. One may honorably oppose that course. Those who support it, as I do, believe it is essential to the country's social peace and progress.

The president angrily denies that he is a racist, and I do not think he is. But neither has he shown sensitivity to the great unsolved American problem.

As a candidate for the Senate he opposed the Civil Rights Act of 1964. Now he talks about "quotas," a non-issue in the civil rights bill. He does not see that on race, as Mr. Danforth put it, "the most important thing a politician can do is to try to keep the country glued together."

The New York Times.



LETTERS TO THE EDITOR

The Conflict 'Was and Continues to Be About Territory'

Israel's ambassador to the United States, Zalman Shoval, gives what I believe to be an erroneous interpretation of Resolution 242 and the circumstances that led to its unanimous adoption by the United Nations Security Council on Nov. 22, 1967. *("Resolution 242 Means More Than Land for Peace," Opinion, July 20.)* As someone who was involved in the events that preceded and followed the war of June 1967, and who took part in the debates and discussions outside and inside the United Nations, I would like to offer the following comments.

Soon after the war, which resulted in the occupation by Israel of Sinai, Gaza, the West Bank and the Golan Heights, we began to hear about the vulnerability of the armistice lines that had separated Israel from its neighbors since 1949, and about the need for Israel to satisfy its security requirements by the retention of all or part of the occupied territories.

Before the war, the official Israeli position was the exact opposite. In October 1966, Abba Eban, then foreign minister of Israel, told the UN General Assembly:

"Behind the armistice frontiers established by agreement between Israel and its Arab neighbors in 1949, the national life of sovereign states has become crystallized in an increasingly stable mold. There is some evidence that thoughtful minds in the Middle East are becoming skeptical about threats to change the existing territorial and political structure by armed force. Such threats and the policies concocted to support them offend the spirit and the letter of the UN Charter. They violate bilateral agreements freely negotiated and solemnly signed. … We regard the present armistice lines as immune from any change without consent."

That policy was reversed a few months later, after Israel attacked Egypt and forced the Arabs to enter a war they were not ready to fight and tried to avoid. During the debates in the General Assembly and the Security Council in the second half of 1967, the overwhelming majority of UN members, including Israel's staunchest friends, demanded the withdrawal of Israeli forces from the occupied territories. It was felt that what was needed was the transformation of the armistice lines into permanent and recognized boundaries. That is why the Latin American draft resolution submitted to the General Assembly, which was supported by the United States and was unopposed by Israel, demanded the urgent withdrawal of all Israeli forces. The differences of opinion during the General Assembly session in June and July 1967 were not related to the question of withdrawal, but to such issues as the end of belligerency, freedom of navigation and mutual recognition.

Mr. Shoval refers to the intent of Resolution 242. It can be found in the statement of its author, the late Lord Caradon, British representative, that the resolution reflected fully the policy of his government. That had been stated a few weeks earlier by the British foreign secretary, the late George Brown, who said:

"Britain does not accept war as a means of settling disputes, nor that a state should be allowed to extend its frontiers as a result of war. This means that Israel must withdraw but equally Israel's neighbors must recognize its rights to exist, and it must enjoy security within its frontiers. What we must work for in this area is durable peace, the renunciation of all aggressive designs and an end of all policies which are inconsistent with peace."

With this background, how can it seriously be argued now that the Security Council condoned the continued occupation of Arab territory? The conflict of the Arabs with Israel was and continues to be about territory and nothing else.

ADNAN PACHACHI,
Former Foreign Minister of Iraq (1965-67) and Ambassador to the United Nations (1960-65 and 1967-69).
London.

Provide Essential Services, Then Leave Us in Peace

By Hans Koning

NEW HAVEN, Connecticut — My 19-year old daughter, who grew up in London and Paris, recently came home well-nigh in tears: She hadn't been allowed access to a rock concert. The few places in New Haven which accommodate such events have liquor licenses and that makes it illegal for them to admit anybody under 21. Control at the door is exhaustive.

A recently opened restaurant in this town, a cramped place but with French

MEANWHILE

doors looking out on the large, privately owned lawn, keeps those doors locked. When I suggested they should use that fine space for outdoor tables and chairs, I was told that state law forbids the serving of even a glass of beer if there isn't a "high wall or fence" between the beer and any possible passerby.

Now all this may seem a dear concern for our children's welfare but it's made a bit ludicrous by the fact that in New Haven you can buy pot, crack or heroin on street corners, and more often than not from a teenager.

The city and the state are near bankruptcy and there is no money for adequate police, there is no public swimming pool or any other amenity you'd find in a much smaller West European town, and the public libraries are for lack of funds open only a few hour a week. Thus it seems we are getting the worst of two worlds: gratuitous restrictions by government in our private lives, combined with lack of elementary government services.

The latter was no news to me when I returned here after a decade as an expatriate; it is no secret that public transport, public health, schools, roads and more are in a bad state in the United States. There is no dispute that this neglect is at least in part caused by the philosophy of the Reagan-Bush era, which resists a government role in providing such services. What was news to me, and surprises my European visitors, is the combination of this philosophy with the overwhelming amount of official rules, regulations and gratuitous advice.

Friends from France and Holland expect this haven of capitalist, pure freedom to leave the individual alone; they do not fathom how the same politicians who reject the idea that government should take care of all its citizens' health needs think it necessary to hector us about our eating, drinking, smoking and even bedroom habits. Indeed, I feel I have returned to an America where the "the freedom to go to the devil" (to quote the philosopher Karl Jaspers) is blended with the morality of Calvin's Geneva.

The governmental manner is marked by two qualities: one, its paternalism is restricted to those areas where if doesn't cost the government money (it seems indeed gratuitous in every sense of the word), and two, it is above all garrulous.

When I drive from New Haven to New York, I am kept reading. The thruway is thickly sown with statements and ukases; there is little pause in this visual harangue. Do this, do not do that. Slow down to 25 miles. Resume speed. Test your brakes. Most drivers have learned to look the other way, I guess; if I'd really slow down where the command is given, I'd cause a major pileup.

On the (archaic) commuter train to New York there is, strikingly, the same continual harangue, this time audible: on the public address system. Is there any European train where each stop is announced two or three times beforehand, where there are constant admonitions to watch your step getting off, "to check the overhead luggage rack for your personal belongings"? It may seem harmless but it isn't; if you try to read, it drives you mad.

The point is, this paternalism has spilled over in the entire field of public life. It may seem harmless to find a road sign saying, "Picturesque View Ahead." It makes me, for one, determined not to look and certainly not to stop.

I feel in all this a patronizing contempt for "the public," a contempt the feds share with state assemblies, official experts, corporations, advertising agencies and all other groups who have an economic or other hold on the people. None of these bodies shows any inclination to take care of us but, paradoxically, they try to treat us like children, and like mischievous and indeed dangerous children. It makes this country a nervous and frustrated place.

The writer is a novelist and author of the biography "Columbus: His Enterprise." He contributed this comment to the International Herald Tribune.

— ADVERTISEMENT —

INTERNATIONAL FUNDS

Aug. 6, 1991

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: d – daily; w – weekly; b – bi-monthly; r – regularly; t – twice weekly; m – monthly

ABACUS FUNDS		
w Abacus Fund Ltd	$	7.95
b Abacus Guart.Fd.Mar 94	$	9.80
b Abacus Guart.Fd.July 95	$	9.87
ABC INVESTMENT & SERVICES CO (E.C.)		
m ABC Futures Fund Ltd	$	708.54
ABN BANK 1.D.BL P.O. Box 669, Amsterdam		
w ABN-Aandelenfonds	Fl	81.39
w ABN-Beleggingsfds Ned.	Fl	62.33
w Aldollar	$	23.89
w Alrenta	Fl	185.00
w America-Fund	$	189.85
w Asian Tigers Fund	$	33.03
w Columbia Securities	Fl	129.10
w LDC Risk Inv. Fund	$	1283.98
w Trans Europe Fund $	$	41.02
w Trans Europe Fund Fl	Fl	80.13
AIG FUND MANAGEMENT Ltd		
d AIG Amer. Eq. Trust	$	36.18
d High Life Fund	Ecu	10.77
d UBZ Euro Optimizer	Ecu	10.5870
d UBZ Liquidity Fund $	$	102.2698
d UBZ Liquidity Fund DM	DM	102.8488
d UBZ Liquidity Fund Ecu	Ecu	100.4440
d UBZ Liquidity Fund SF	SF	103.0339
ALFRED BERG		
d Alfred Berg Norden	$	138.09
Alfred Berg Sicav		
d Global	$	133.61
d Germany	$	121.37
d Switzerland	$	92.01
d Netherlands	$	96.26
d North America	$	101.92
ALPHA ASSET MANAGEMENT Ltd		
De Ruyterkade 62, Curacao NA 5999 617844		
m Alpha Europe Fund	Ecu	244.17
m Alpha Futures Fund Ltd	$	151.72
m Alpha Global Fund	$	665.71
m Alpha Hedge Fund	$	332.25
m Alpha Pacific Fund Ltd	$	283.85
m Alpha Short Fund Ltd	$	102.64
m Alpha Spec. Situation Fd	$	314.90
m Alpha Tilldale Fund	$	130.75
m Curran-Alpha Hlth Care Fd	$	288.35
w Heisei Japan Fund	Y	14570.00
w Nicholas-Applegate Aurelio	$	165.93
m Nicholas-Applegate Hge Fd	$	128.07
ARRAL ASSOCIATES Ltd		
w Arral American Quant Fd	$	10.53
w Arral Asian Fund	$	155.05
w Arral Int'l Hedge Fund	$	105.99
BA GATEWAY FUND		
w Germany Fixed Income	DM	103.41
w Belgium Fixed Income	BF	10970.00
w US Dollar Fixed Income	$	112.93
w Int'l Portfolio A	$	104.76
w Int'l Portfolio B	Ecu	109.14
w Japan Equity	Y	10381.00
w Pacific Equity	$	98.27
BANQUE BELGE ASSET MGMT FUND		
Share Distributor Guernsey 0481 726614		
w Int'l Equity Fund (Sicav)	$	10.77
w Int'l Bond Fund (Sicav)	$	12.08
w Dollar Zone Bd Fd (Sicav)	$	10.32
w Sterling Equity Fd (Sicav)	£	1.02
w Sterling Bd Fd (Sicav)	£	1.12
BANQUE DE GESTION E. DE ROTHSCHILD LUXEMBOURG S.A.		
b Eagle Fund	LF	9646.80
d Europe Japan Fund	$	9.77
b Government Secur. Fd	$	64.87
w Hispano Int'l Fund	Ecu	11.33
w Leicom	$	1956.15
b Opportunites	$	937.22
b Optigest Cursitor Gen.	DM	149.53
b Optigest Fixed Inc.	DM	115.29
b Prifirst	$	527.76
b Prirop Fund	DM	44.17
w Pente Plus	BF	4787.00
f Select. Horizon FF	FF	66423.54
b Star Convert. Fd Fl	Fl	11223.00
b Star Convert. Fd US$	$	105.17
BANQUE INDOSUEZ		
w The Dragon Fund Sicav	$	104.41
m Galaxy Futures Fund Ltd	$	109.18
m Dual Futures Fd Cl A Units	$	111.35
m Dual Futures Fd Cl B Units	$	111.54
m Dual Futures Fd Cl C Units	$	105.98
m Dual Futures Fd Cl D Units	$	107.72
m Maxima Fut. Fd Ser. 1 Cl. A	$	99.74
m Maxima Fut. Fd Ser. 1 Cl. B	$	99.74
w IPNA-3	$	530.80
w Asian Growth Fund	$	35.34
w ISA Japan Reg. Gr. Fund	Y	989.00
w Pacific Gold	$	11.97
w Asian Income Fund	$	8.69
w Himalayan Fund	$	10.30
w Manila Fund	$	8.51
w Malacca Fund	$	13.49
w The Siam Fund	$	21.75
d Indosuez Hong Kong Fund	$	21.845
w Oriental Venture Trust	$	43.365
w North American Fund	$	36.750
w Singap & Malay Trust	$	14.266
w Pacific Trust	HK$	21.535
w Tasman Fund	$	4.330
w Japan Fund	$	14.065
w Managed Trust	$	19.395
d Japan Warrant Fund	$	2.48
d Worldwide Growth Fund	$	9.73
BANQUE PRIVEE E. DE ROTHSCHILD		
w Daiwa Capital Eq. Fund	$	985.75
w Daiwa LCF Rothschild	$	1033.72
w Ecu D'Or	Ecu	75.99
b Pri-Tech	$	1103.99
b Source Sicav	$	12.59
BANQUE SCANDINAVE EN SUISSE-GENEVA		
w Intelbond Chf.	SF	78.11
w Intelsec Chf.	SF	174.97
w Swissfund Chf	SF	103.67
w Universal Euresec Ecu	Ecu	99.64
w Universal Finnsec Global	FM	115.88
w Universal Intelbond $ A	$	15.53
w Universal Intelbond $ B	$	16.17
w Universal Intelbond FF A	FF	105.26
w Universal Intelbond FF B	FF	115.38
w Universal Intelsec $ A	$	14.22
w Universal Intelsec $ B	$	14.38
BEARBULL		
w BB Forex Ltd	$	1147.28
w BB Futures Ltd	$	1099.38
w BB Global Ltd BEF	BF	906.00
w BB Global Ltd CHF	SF	8.71
w BB Global Ltd FRF	FF	93.82
BNP INTERFUNDS		
BNP LUXEMBOURG		
w Interbond Fund	$	222.31
w Interbelgian	BF	57392.00
w Interecu Fund A	Ecu	281.17
w Interecu Fund B	Ecu	1084.16
INTER CASH		
f France Securite	FF	13870.88
f France Monetaire	FF	11861.15
f France Capital	FF	13010.90
f Inter Cash ECU	Ecu	1538.70
f Inter Cash US$	$	1139.66
f Inter Cash DM	DM	2316.17
f Inter Cash GBP	£	1213.21
f Inter Cash FRF	FF	16103.87
f Inter Cash YEN	Y	153609.00
INTER OPTIMUM		
w BEF/LUF	BF	78943.00
w Multidevises DM	DM	2268.97
w US$	$	1085.50
w FRF	FF	11400.50
INTER STRATEGIE		
w France	FF	9647.07
w Europe du Nord	£	1045.33
w Europe du Centre	DM	2116.90
w Europe du Sud	Ecu	1024.41
w Japon	Y	136748.00
w Amerique du Nord	$	1160.88
w Sud Est Asiatique	$	894.76
BNP JERSEY		
INTER CURRENCY		
w DM	DM	35.2767
w GBP	£	13.8558
w US$	$	12.4435
INTER EQUITY		
w Australia Class	$	10.37
w European Class	$	9.49
w French Offer	$	15.85
w North American Offer	$	12.55
w Pacific Offer	$	78.16
BROADGATE INTERNATIONAL FUND		
d $ Money Market	$	14.56
d Non-$ Money Market	DM	35.38
d $ Bond	$	74.99
d Non-$ Bond	DM	33.67
d European Equities	$	9.77
d Global Equity	$	17.48
d Global Bond	$	15.52
d Global Bond & Equity	$	15.51
d Pacific Equities	$	11.23
d Prec. Mets / Min. Secs	$	5.58
CAISSE CENTRALE DES BANQUES POP.		
w Fructilux Actions Euro	Ecu	1215.64
w Fructilux Actions Fses	FF	6980.24
d Fructilux Court Terme	FF	6828.70
d Fructilux Oblig. Euro	Ecu	1233.11
d Fructilux Oblig. Fses	FF	6452.78
CALLANDER		
w Callander Emer. Growth	$	129.66
w Callander F-Asset	$	94.45
w Callander F-Austria	AS	1404.89
w Callander F-Spanish	Pta	8718.80
w Callander Swiss Growth	SF	135.81
CAPITAL INTERNATIONAL		
w Capital Int'l Fund	$	95.72
w Capital Italia SA	$	36.92
CDC INTERNATIONAL		
w CFI Court terme	FF	139829.48
w CFI Long Terme	FF	1219471.44
CIC GROUP		
d Oblicic Court Terme	FF	13403.48
d Oblicic Monetaire	FF	13555.92
CITICORP INVESTMENT BANK (Lux)		
POB 1373 Luxembourg Tel. 477 95 71		
d Citinvest Guardian $	$	1096.75
d Citinvest Guardian Euro	Ecu	1170.77
d Citinvest Mngd Growth	$	1342.55
d Citinvest Mngd Grth Euro	Ecu	1099.76
d Citinvest Selector	$	937.10
d Citicurrencies US$	$	1489.10
d Citicurrencies Managed	$	128.83
d Citicurrencies STG	£	132.81
d Citicurrencies DEM	DM	116.72
d Citicurrencies YEN	Y	11233.00
d Citiport N.A. Equity	$	195.25
d Citiport Japan Equity	Y	5953.00
d Citiport UK Equity	£	117.30
d Citiport IAPEC	$	145.59
d Citiport Cont. Euro. Equity	Ecu	134.14
d Citiport Eamec	$	98.45
d Citiport German	DM	82.01
d Citiport Swiss	SF	92.16
d Citiport French Equity	FF	1107.48
d Citiport N.A. S Bond	$	130.41
d Citiport Euro Bond	Ecu	118.14
d Citiport Pacific Bond	Y	11830.00
CITITRUST		
w US $ Equities	$	226.43012
w US $ Bonds	$	14.06997
w US $ Money Market	$	14.36177
w Chiland	$	1005.32565
w Citiperformance Ptfl A	$	10.28341
w Citiperformance Ptfl B	$	11.08869
m The Good Earth Fund	$	12.95091
COMPASS INTL HOLDINGS Ltd.		
POB 455, Jersey 0534 27267		
w Bond: Dollar Med. Term	$	11.27
w Bond: Ecu Multicurr.	Ecu	11.03
w Equity: United Kingdom	£	8.32
CREDIT AGRICOLE : MOSAIS		
d Actions Int'l Diversifiees	FF	109.61
d Actions Nord-Americaines	$	19.13
d Actions Japonaises	Y	2060.34
d Actions Anglaises	£	12.44
d Actions Allemandes	DM	33.21
d Actions Francaises	FF	107.43
d Actions Esp. & Port.	Pta	2464.16
d Actions Italiennes	Lit	28317.15
d Actions Bassin Med.	Ecu	17.43
d Actions Bassin Pacifique	$	16.85
d Actions Europeennes	Ecu	15.75
d Actions Agro-Alimen.	FF	177.94
d Actions Sect. Comm.	FF	106.45
d Oblig Int'l Diversifiees	FF	113.23
d Oblig Nord-Americaines	$	16.83
d Oblig Japonaises	Y	2876.96
d Oblig Anglaises	£	10.83
d Oblig Allemandes	DM	31.69
d Oblig Francaises	FF	114.38
d Oblig Esp. & Port.	Pta	2238.83
d Oblig Italiennes	Lit	26904.62
d Oblig Europeennes	Ecu	17.13
d Oblig Haut Rendement	$	17.03
d Oblig Int'l Div Sensib Red	FF	112.18
d Oblig Convert. Intern.	FF	116.26
d Court Terme Ecu	Ecu	17.39
d Court Terme US$	$	16.11
d Court Terme FF	FF	114.01
CREDIT COMMERCIAL de FRANCE		
w CM Actibonds	$	36.78
w CM Global Growth	$	10.19
w Elysees Monetaire	FF	71058.32
d Europe Prest. Fund A	Ecu	9.54
d Europe Prest. Fund B	Ecu	11.57
CREDIT SUISSE		
d CSF Bonds	SF	75.071
d Bond Valor Swf	SF	96.176
d Bond Valor US - Dollar	$	119.245
d Bond Valor D - Mark	DM	103.972
d Bond Valor Yen	Y	9756.224
d Bond Valor £ Sterling	£	98.755
d Convert Valor Swf	SF	142.477
d Convert Valor US - Dollar	$	190.247
d CSF International	SF	132.994
d Actions Suisses	SF	559.273
d Europa - Valor	SF	212.485
d Energie - Valor	SF	148.969
d Canasec	SF	519.533
d Ussec	SF	741.724
d Pacific - Valor	SF	134.484
d CS Gold Valor	$	116.491
d CS Tiger Fund	$	620.454
d CS Ecu Bond A	Ecu	100.842
d CS Ecu Bond B	Ecu	136.168
d CS Gulden Bond A	Fl	95.478
d CS Gulden Bond B	Fl	119.138
d CS Hispano Iberia Fd A	Pta	23868.00
d CS Hispano Iberia Fd B	Pta	24476.980
d CS Euro Finance Fd A	DM	227.475
d CS Euro Finance Fd B	DM	227.475
d CS Prime Bond A	DM	90.764
d CS Prime Bond B	DM	109.380
d CS Europa Bond A	DM	247.596
d CS Europa Bond B	DM	298.373
d CS Fixed I SF 7% 1/96	SF	105.459
d CS Fixed I DM 8% 1/96	DM	104.576
d CS Fixed I Ecu 8 3/4% 1/96	Ecu	105.920
d CS Euro Blue Chips A	DM	244.758
d CS Euro Blue Chips B	DM	249.099
d CS Short-T. Bond $ A	$	102.533
d CS Short-T. Bond $ B	$	134.575
d CS Short-T. Bond DM A	DM	97.739
d CS Short-T. Bond DM B	DM	122.615
d CS Money Market Fd $	$	1428.982
d CS Money Market Fd DM	DM	1420.764
d CS Money Market Fd £	£	1929.667
d CS Money Market Fd Yen	Y	131856.009
d CS Money Market Fd C$	C$	1106.899
d CS Money Market Fd Ecu	Ecu	1097.191
d CS Oeko-protec A	DM	281.557
d CS North American Fd A/B	$	198.873
d CS UK Fund A/B	£	99.461
d CS France Fund A/B	FF	986.763
CSFB FUND MGMT Ltd (0481-712996)		
PB122, St Peter Port, Guernsey		
w Islamic Mgmt Fund Ltd	$	1007.39
DIT INVESTMENT FFM		
d Concentra +	DM	45.32
d Int'l Rentenfond +	DM	77.39
EBC TRUST CO. (Jersey) Ltd		
1-3 Sele St, St Helier: 0534-36331		
EBC AMRO TRADED CURRENCY FUND		
d Capital	$	23.865
d Income	$	15.820
INTERNATIONAL INCOME FUND		
w Long Term	$	34.2895
d Short Term B (Accum)	$	0.7119
d Short Term B (Distr)	$	0.5074
ECU FUTURES PLC (44 71 225 3611)		
d Ecu Plc Omega Fund	£	1.32
d Ecu Plc Oil Fund	$	0.92
d Ecu Plc Royden Fund	£	1.17
EQUIFLEX LIMITED		
w Europa A	Fl	10.45
w North America A	Fl	10.32
EURO PACIFIC ADVISERS Ltd		
w Meteore	Y	111388.00
w Pacific Horizon Invt. Fd	$	2078.81
FIDELITY INT'L INV. SERVICES (Lux)		
d Balanced Ptfl Hedged	$	11.33
d Balanced Ptfl Unhedged	$	11.48
d Conv. Securities Ptfl	$	9.01
d Discovery Fund	$	18.28
d Dollars Saving Trust	$	188.90
d Far East Fund	$	72.98
d Fid. Amer. Assets	$	155.84
m Fid. Amer. Values III Com	$	91.70
m Fid. Amer. Values IV	$	109288.00
d Fid. Australia Fund	$	16.83
d Frontier Fund	$	27.23
d Global Ind Fund	$	15.48
d Global Selection Fund	$	13.68
d International Fund	$	15.73
d New Europe Fund	$	9.39
d Orient Fund	$	112.98
d Pacific Fund	$	338.98
d Special Growth Fund	$	25.89
d World Fund	$	76.70
FOKUS BANK A.S. 472 428 555		
w Scanfonds Int'l Growth Fd	$	1.47
GAIA CURRENCY FUNDS		
w Gaia Hedge I	$	105.96
w Gaia Hedge II	$	224.04
w Gaia Hedge III	$	46.91
w Gaia Swiss Franc Fd	SF	92.80
m Gaia Guaranteed Cl. I	$	74.11
m Gaia Guaranteed Cl. II	$	78.71
GAM ANLAGEFONDS AG.		
POB 164, 8034 Zurich Tel: 41-1-2516640		
d GAM (CH) Mondial	SF	1357.00
d GAM (CH) Pacific	SF	2852.00
d GAM (CH) America	SF	1768.00
d GAM (CH) Europe	SF	76.00
GAM TRADITION ANGLEFONDS AG.		
d GAM Tradition	SF	932.00
GARTMORE FUND MANAGERS INT.		
45, La Motte Street, Jersey 0534 27301		
CAPITAL STRATEGY FD Ltd		
d American Fund	$	1.778
d Canadian Fund	C$	0.8867
d British Fund	£	2.686
d European Fund	DM	5.486
d Eastern European Fd	DM	4.122
d Asia Pacific Fund	$	2.214
d Japan Fund	Y	610.4
d Australasian Fund	$	0.3434
d Global Resources Fund	$	0.7677
d Emerging Markets Fund	$	1.151
d International Growth	$	3.089
d Sterling Bond	£	1.071
d Ecu Bond Fund	Ecu	0.9541
d International Bond	$	1.192
d Global Conv. Bond Fd	$	16.89
d US$ Deposit	$	1.022
d Sterling Deposit	£	1.020
d French Franc Deposit	FF	10.36
d Swiss Franc Deposit	SF	5.154
d DM Deposit	DM	5.172
d Yen Deposit	Y	515.1
d Austr. Dollar Deposit	A$	1.046
GARTMORE INDOSUEZ FUNDS 05/08/91		
Tel: (352) 46 54 24 470		
Fax: (352) 46 54 23		
BOND PORTFOLIOS		
d Deutsche Mark Bond	DM	5.11
d Diverbond	$	2.54
d Dollar Bond	$	2.30
d European Bond	Ecu	1.05
d French Franc Bond	FF	10.85
d Global Bond	$	1.99
d Sterling Bond	£	1.00
EQUITY PORTFOLIOS		
d Developing Markets	$	2.34
d Europe	Ecu	1.11
d France	FF	10.11
d Germany	DM	4.75
d International	$	2.09
d Japan	Y	266.00
d Natural Resources	$	2.09
d North America	$	2.34
d Pacific	$	2.36
d Singapore/Malaysia	SG$	5.63
d Switzerland	SF	2.68
d United Kingdom	£	1.20
RESERVE FUNDS		
d Deutsche Mark Reserve	DM	5.17
d Dollar Reserve	$	2.06
d French Franc Reserve	FF	10.36
d Sterling Reserve	£	1.06
d Yen Reserve	Y	265.00
GEFINOR FUNDS		
London: 071-4996171, Geneva: 41-22355530		
w East Investment Fund	$	846.11
w Scottish World Fund	£	219.5791
w State St. American	$	293.76
GENERALE BANK		
(See also Interselex Group)		
d Rentinvest	$	27.23
d Capital Rentinvest	$	139.74
d Rentinbel Distribution	LF	9535.00
d Rentinbel Capitalization	LF	12085.00
GENESEE FUND Ltd		
w (B) Genesee Short	$	79.72
w (C) Genesee Opportunity	$	115.60
w (E) Genesee Balanced	$	104.18
GLOBAL ASSET MANAGEMENT		
11 Athol St.Douglas.I.of Man 44-624-626807		
w GAM Arbitrage Inc.	$	249.59
w GAM America Inc.	$	272.05
w GAM Australia Inc.	$	134.48
w GAM ASEAN Inc.	$	188.50
w GAM Boston Inc.	$	319.32
w GAM Selection Inc.	$	402.99
w GAM European Inc.	$	91.10
w GAM Europe Fund	$	77.31
w GAM Franc-Val Inc.	SF	198.48
w GAM France Inc.	FF	1463.60
w GAM Global Fund	$	107.98
w GAM High Yield Inc.	$	104.03
w GAM Hong Kong Inc.	$	258.58
w GAM International Inc.	$	131.07
w GAM Japan Inc.	$	650.30
w GAM North America Fund	$	119.66
w GAM Money Mkts Fd $	$	108.74
w GAM Money Mkts Fd £	£	101.30
w GAM Money Mkts Fd SF	SF	100.76
w GAM Money Mkts Fd DM	DM	100.83
w GAM Money Mkts Fd Yen	Y	10071.00
w GAM Mlti-Mar Fd Inc Allocs	$	113.15
w GAM Mltimgr Fd IncGenEq$	$	112.41
w GAM Mlti-Mgr Fd Trading	$	116.23
w GAM Mlti-Mgr Deferred Cl	$	110.41
w GAM Pacific Basin Fund	$	133.82
w GAM Pacific Inc.	$	569.42
w GAM Restr. Fund Inc.	$	142.36
w GAM Singap-Malay Inc.	$	257.45
w GAM Swiss Fr Spec Bd Fd	SF	98.31
w GAM Value Inc.	$	98.38
w GAM Worldwide Inc.	$	419.55
w GAM Tyche S.A. Class A	$	242.98
w GAM Univ. Spain Inc	SF	187.51
w GAM Univ. D-Mark Acc.	DM	120.83 *
w GAM Univ. D-Mark Inc.	DM	118.11 *
w GAM Univ. Dollar Acc.	$	110.21 *
w GAM Univ. Dollar Inc.	$	108.01 *
w GAM U.S. Inc.	$	201.09
w GAM Whitehorn Fund Inc.	$	158.94
w GAM UT Inc	$	418.49
w GSAM Composite Inc.	$	246.68
w GAM Bond Fd Inc. US Ord.	$	117.42
w GAM Bond Fd Inc. US Spe.	$	144.51
w GAM Bond Fd Inc. SF	SF	82.69
w GAM Bond Fd Inc. Yen	Y	11778.00
w GAM Bond Fd Inc. DM	DM	91.86
w GAM Bond Fd Inc. £	£	114.30
w GAM Sterling Spec. Bd Fd	£	111.19
GT MANAGEMENT PLC (44 71 222 44 44)		
d G.T. ASEAN Fund	$	44.90
d G.T. Asia Fund	$	19.54
d G.T. Australia Fund	$	25.26
d G.T. Berry Japan Fund	$	28.44
w G.T. Biotech/Health Fd	$	19.32
d G.T. Bond Fund	$	16.58
d G.T. Deutschland Fund	$	11.75
d G.T. Dollar Fund	$	21.34
w G.T. Emerging Mkts Fd	$	11.00
w G.T. Euro Small Co Fd	$	31.32
d G.T. Europe Fund	$	31.22
w G.T. Global Small Co Fd	$	16.38
d G.T. Hong Kong Fund	$	35.36
d G.T. Honshu Pathfinder	$	72.73
d G.T. Investment Fund	$	15.66
w G.T. Japan OTC Stocks Fd	$	12.78
w G.T. Japan Small Co Fd	$	17.42
w G.T. Korea Fund	$	7.38
w G.T. Latin America Fd	$	11.48
w G.T. Newly Ind Countr Fd	$	30.81
r G.T. Technology Fund	$	41.88
d G.T. UK Small Companies	$	6.94
w G.T. US Small Companies	$	16.45
HILL SAMUEL INVEST. MGMT. INTL S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
d Crossbow (Far East)	SF	15.50
d CSF (Balanced)	SF	40.59
d European Equity Fund	DM	18.65
d Int'l Bond Fund	$	12.86
d Int'l Currency US	$	27.98
d Int'l Currency US Mngd	$	29.76
d ITF Fd (Technology)	$	16.00
d O'seas Fd (N. America)	$	58.63
IAM, 2 Bd. Royal LUXEMBOURG		
d IAM Flagship Fund	Ecu	77.73
w IAM Bonds Fd-France A	FF	651.61
w IAM Bonds Fd-Allem. B	DM	221.94
w IAM Bonds Fd Japon C	Y	10880.00
w IAM Bonds Fd Div. I	FF	502.03
w IAM Europe Global	Ecu	89.61
w IAM Europe Luxe	Ecu	87.65
w IAM Europe 1992	Ecu	98.79
w IAM Europe du Sud	Ecu	85.19
INTERSELEX GROUP		
d Inl. America Sicav	$	18.65
d Inl. Belga Sicav	BF	2811.00
d Inl. Europa Sicav	LF	6354.00
d Inl. Pacific Sicav	$	98.43
d Inl. World Distr. Sicav	$	94.68
INVESCO MIM INT'L, POB 271, Jersey		
Tel: 44 534 73114		
d Income Plus Fund	$	2.5050
d Dollar Mngd Curr	$	14.9500 *
d Dollar Mngd Ptfl	$	2.2610
d Sterling Mngd Ptfl	£	1.7700
d Pioneer Markets	£	3.2990
d UK Growth	£	1.1880
d Gold & Prec. Metals	£	0.8820
d Sterling Mngd Curr.	£	17.4900
d Japan Dollar Perf. Fund	$	3.1570
d Jersey Gilt	£	0.7781 *
d Okasan Global Strat	$	17.4000
d Asia Super Growth Fund	$	13.4100
d Nippon Warrant Fund	$	7.1980
d Gtd. N.W. 1994	$	8.1400
d Asia Tiger Warrant	$	1.6108
d European Warrant	$	2.8100
PREMIER SELECT FUNDS		
d American Growth	$	5.1300
d American Enterprise	$	6.8480
d Asia Tiger Growth	$	5.6200
d Dollar Reserve	$	5.0800
d European Growth	$	4.7300
d European Enterprise	$	5.2800
d Global Emerging Markets	$	5.5800
d Global Growth	$	4.9500
d Nippon Enterprise	$	6.5300
d Nippon Growth	$	4.9100
d North American Warrant	$	6.2400
ITALFORTUNE INTL. FUNDS		
w Class A (Aggr. Growth Ital.)	$	44.37
w Class B (Global Equity)	$	10.33
w Class C (Global Bond)	$	10.63
w Class D (Ecu Bond)	Ecu	10.37
JARDINE FLEMING, GPO Box 11448 Hg Kg		
d JF ASEAN Trust	$	21.99
d JF Far East Wrnt Tr.	$	8.44
d JF Glbl Conv. Tr.	$	11.24
d JF Hong Kong Trust	$	95.63
d JF Japan Sm. Co Tr.	Y	64456.00
d JF Japan Trust	Y	17107.00
d JF Malaysia Trust	$	9.61
d JF Pacific Inc. Tr.	$	82.68
d JF Thailand Trust	$	11.21
JOHN GOVETT MANT (I.O.M.) LTD		
Tel: 44.624-62 94 20		
w Govett Man. Futures	£	12.72
w Govett $ Gear. Curr.	$	14.64
JULIUS BAER GROUP		
d Baerbond	SF	540.00
d Conbar	SF	1718.00
d D-Mark Baer Bond Fund	DM	998.00
d Dollar Baer Bond Fund	$	1162.00
d Emerging Europe Fund	DM	105.00
d Equibaer America	$	2008.00
d Equibaer Europe	SF	1534.00
d Europe Bond Fund	Ecu	172.00
d Liquibaer	$	2040.00
d Multiadvisor Forex Fd.	$	98687.00
d SFR - BAER	SF	1023.00
d Stockbar	SF	2064.00
d Swissbar	SF	2144.00
KIDDER, PEABODY		
b Chesapeake Fund Ltd	$	1558.28
b Int'l Guaranteed Fund	$	1042.21
b Stonehenge Ltd	$	1283.69
b The Gbl Asset Alloc Fd Ltd	$	892.28
b The Krieger Curr. Fd Ltd	$	978.80
KLEINWORT BENSON SELECT FUND		
d British Fund	Ecu	2.11
d Emerging Asia Fund	Ecu	1.80
d European Fund	Ecu	1.86
d International Fund	Ecu	1.82
d Japanese Fund	Ecu	1.77
d Kansallis World Fund	FM	11.13
d North American Fund	Ecu	2.27
d Pacific Fund	Ecu	1.78
d Sicav Dollar Bond	$	1.79
d Sicav Intal Bond	Ecu	1.91
d Sicav Sterling Bond	£	1.91
LATIN AMERICAN MANAGEMENT Co Ltd		
Tel: London 071 628 1234		
w Argentinian Invest Co Sicav	$	12.94
w Brazilian Invest Co Sicav	$	20.57
w Mexican Invest Co Sicav	$	24.17
LIPPO ASIA LIMITED		
w Java Fund	$	7.06
LLOYDS BANK PLC, POB 438, Geneva 11		
Deals 41-22-3073200/Inquir. 41-22-3073210		
w Lloyds Int'l Dollar +	$	173.10
w Lloyds Int'l Europe +	SF	187.00
w Lloyds Int'l Growth +	SF	215.50
w Lloyds Int'l Income +	SF	273.00
w Lloyds Int'l N. America +	$	190.15
w Lloyds Int'l Pacific +	SF	180.40
MAGNUM FUTURES FUND Ltd		
m Deutschemark Class	DM	19.71
m Sterling Class	£	5.19
m US Dollar Class	$	8.95
MALABAR CAP MGMT (Bermuda) Ltd		
m Malabar Int'l Fund	$	11.17
MAN INTERNATIONAL FUTURES		
m Mint Limited - Ordinary	$	43.42
m Mint Limited - Income	$	14.38
m Mint Gtd Ltd - Spec Issue	$	22.75
m Mint Gtd Ltd - Nov 1993	$	20.83
m Mint Gtd Ltd - Jan 1994	$	14.89
m Mint Gtd Ltd - Dec 1994	$	14.89
m Mint Gtd Ltd - Aug 1995	$	12.13
m Fame Mint Gtd Plc	$	113.83
m Mint Sp Res Ltd (BNP)	$	106.92
m Newcastle Guaranteed Ltd	$	11.53
m Alubal Mint Gtd. Fund Ltd	$	111.07
m Athena Diversified Fut	$	9.84
m Athena Guaranteed Fut	$	9.41
d Athena Guaranteed Curr	$	9.85
MERRILL LYNCH		
d Dollar Assets Portfolio	$	1.00
d Iberia Portfolio	$	9.87
d Multi-Curr. Bond Ptfl Cl A	$	17.07
d Multi-Curr. Bond Ptfl Cl B	$	17.02
d USA Income Portfolio	$	9.52
d US Federal Securities Fd		
d Category A	$	9.97
d Category B	$	10.32
d World Nat Res Ptfl Sh A	$	11.56
d World Nat Res Ptfl Sh B	$	11.38
MERRILL LYNCH MLT NAT'L INV PFL		
GLOBAL CURRENCY BOND SERIES		
d Australian Dollar Ptfl		
d Category A	A$	13.86
d Category B	A$	13.93
d Canadian Dollar Ptfl		
d Category A	C$	11.30
d Category B	C$	11.32
d Deutsche Mark Ptfl		
d Category A	DM	10.53
d Category B	DM	10.56
d Pound Sterling Ptfl		
d Category A	£	12.01
d Category B	£	12.02
d US Dollar Ptfl		
d Category A	$	11.66
d Category B	$	11.73
d Yen Portfolio		
d Category A	Y	1054.06
d Category B	Y	1056.08
MERRILL LYNCH MLT NAT'L INV PFL		
EQUITY CONVERTIBLE SERIES		
BASIC VALUE PORTFOLIO		
d Class A	$	11.19
d Class B	$	11.04
CONVERTIBLE SECURITIES PTFL		
d Class A	$	11.66
d Class B	$	11.57
GLOBAL EQUITY PORTFOLIO		
d Class A	$	9.46
d Class B	$	9.20
EURO EQUITY PORTFOLIO		
d Class A	$	10.36
d Class B	$	10.27
MULTIMANAGER N.V.		
w American Growth Fd	$	10.46
w European Curr. Bond Fd	Ecu	10.29
w European Growth Fd	Ecu	11.40
m Futures Fd	$	10.33
w Japanese Growth Fd	Y	1114.00
w Forex Fund	$	9.82
m Emerging Markets Fd	$	13.07
NIMARBEN		
w Class A	$	222.42
NMB BANK, PO 1800, 1000 BV Amsterdam		
w NMB Dutch Fund	Fl	42.20
d NMB Euromix Growth Fd	LF	2308.00
d NMB Real Estate Fund	Fl	37.18
w The Brazil Fund	$	1.63
NOMURA INTL. (HONG KONG) Ltd		
d Nomura Jakarta Fund	$	7.88
NOMURA INVEST BANKING (M.E) E.C.		
d Nomura Gulf Fund	$	8.60
OBLIFLEX LIMITED		
w Multicurrency	$	24.88
w Dollar Medium Term	$	19.15
w Dollar Long Term	$	16.00
w Japanese Yen	Y	3718.00
w Pound Sterling	£	19.08
w Deutsche Mark	DM	13.61
w Dutch Florin	Fl	13.91
w HY Euro Currencies	Ecu	11.81
w Swiss Franc	SF	10.98
w US Dollar Short Term	$	11.19
w HY Euro Curr Divid Pay	Ecu	10.33
w Swiss Multicurrency	SF	12.99
w European Currency	Ecu	16.53
w Belgian Franc	BF	102.02
w Convertible	$	11.50
w French Franc	FF	116.30
w Swiss Multi-Dividend	SF	8.99
w Canadian Dollar	C$	9.61
w Dutch Florin Multi	Fl	11.94
w Swiss Franc Divid Pay	SF	10.26
OLYMPIA Capital Intl. BVI		
c/o OCM, 11 Av. Friedland 75008 PARIS		
Tel: 33-1-45539838 Fax: 33-1-42567009		
w Finsbury Group	$	149.60
w Olympia Securite SF	SF	148.55
w Olympia Securite US$	$	94.22
w Winch. Capital	$	182.10
w Winch. Frontier	$	253.20
w Winch. Fut. Olympia Star	$	100.64
w Winch. Hldg Int'l Madison	Ecu	1098.54
w Winch. Hldg Int'l Ser D	Ecu	1278.60
w Winch. Hldg Int'l Ser F	Ecu	1287.54
w Winch. Hldg US$	$	16.69
w Winch. Reser. Multi. Gvtd	$	14.48
OPTIMA FUND MANAGEMENT		
6 Front St, Hamilton,Bermuda(809 295-4000)		
w Optima Fund	$	13.74
w Optima Futures Fund	$	9.63
w Optima Short Fund	$	10.71
PARIBAS-GROUP		
d Cortexa International	$	112.34
d Europhenix	Ecu	192.57
d Luxor	$	8.21
d Par US Treas. Bond Cl B	$	148.83
d Parinter Bond Fund	$	14.71
d Parinter Fund	$	217.77
w Parvest Obli-DM A	DM	1186.11
w Parvest Obli-DM B	DM	1421.21
w Parvest Obli-Dollar A	$	1126.51
w Parvest Obli-Dollar B	$	1449.91
d Parvest Obli-Franc A	FF	1377.89
d Parvest Obli-Franc B	FF	1493.40
w Parvest Obli-Gulden A	Fl	952.35
w Parvest Obli-Gulden B	Fl	1200.01
d Parvest Obli-Sterling	£	175.98
w Parvest Obli-Yen A	Y	103037.00
w Parvest Obli-Yen B	Y	125256.00
PERMAL GROUP		
b Drakkar Growth	$	2238.97
b EuroMir (Ecu) Ltd	Ecu	1225.59
b Media Ltd	$	972.76
b Noscal Ltd	$	1637.29
w Updyke Ltd	$	278.20
b Value N.V.	$	2126.00
PICTET & CIE - GROUP		
b Eur. Opportunity (Lux)	Ecu	106.32
d Euroval (Lux)	Ecu	168.66
b Global Value (Lux) Quant.	Ecu	126.37
m Intl Small Cap (IOM)	$	307.90
d Pictet Valsuisse (CH)	SF	453.15
PIERSON, HELDRING & PIERSON N.V.		
Rokin 55, 1012kk, Amsterdam (20-5211188)		
w Asia Pac. Growth Fd N.V.	$	30.21
w Asian Selection Fd N.V.	Fl	56.85
w DP Amer. Growth Fd N.V.	$	33.47
w Environment Growth Fund	Fl	54.32
w Eur. Growth Fund N.V.	Fl	59.48
w Japan Diversified Fund	$	44.21
w Leveraged Cap Hold	$	404.36
w Tokyo Pac. Hold. N.V.	$	223.58
PRISM ASSET MANAGEMENT		
(212) 332-1032 advisor to:		
d Prism Fut. Fd (EFF)	$	297.02
d Conqueror	$	89.92
d PTJ	$	115.71
d Apex Fund Ltd	$	104.31
d Rainbow	$	118.96
d Emerald Futures Ltd	$	97.84
d Harmonic Futures Ltd	$	97.27
PUTNAM		
d Emerging Hlth Sc. Trust	$	30.41829
w Putnam Em. Info. Sc. Trust	$	18.27727
d Putnam Glob. High Growth	$	13.97
d Putnam High Inc. GNMA Fd	$	9.30
d Putnam Int'l Fund	$	12.09
PYRFORD, SWITZ (038) 25 17 25		
w Pyrford Australian	A$	99.50
w Pyrford Int'l	SF	103.00
ROBECO GROUP		
POB 973, Rotterdam (10-4650711)		
d Robeco	Fl	108.50
d Rolinco	Fl	108.40
d Rorento	Fl	66.20
d Rodamco	Fl	53.40
d RG America Fund	Fl	98.00
d RG Europe Fund	Fl	98.28
d RG Pacific Fund	Fl	100.60
ROTHSCHILD AST. MGT.		
w Tokyo Pacific Hldgs (Seo)	$	163.14
ROYAL B. CANADA, POB 246 GUERNSEY		
w RBC British Fund Ltd +	£	5.153
w RBC Canadian Fd Ltd +	C$	14.04
w RBC European Fund +	$	11.56
w RBC Far East & Pac. Fd +	$	40.41
w RBC Int'l Bond Fund Ltd +	$	13.40
w RBC Int'l Capital Fund +	$	52.12 *
d RBC Mngd Currency Fd +	$	43.23
w RBC North America Fd +	$	15.51
SAFRA REPUBLIC HOLDING		
w Republic (Gnsey) $ Inc Fd	$	9.81
w Republic Gam Fund	$	103.77
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
w Equity Int'l Acc	$	13.56
w Equity Int'l Inc	$	11.71
w Equity Global	$	1.29
w Equity Far East	$	2.20
w Equity Gold	$	0.70
w Equity Japan	Y	122.00
w Equity Nordic	$	1.43
w Equity U.K.	£	1.31
w Equity Continental Europe	$	1.25
w Equity Mediterranean	$	1.02
w Equity North America	$	1.52
w Bond Int'l Acc	$	9.64
w Bond Int'l Inc	$	6.90
w High Income Acc	$	1.34
w High Income Inc	$	1.00
w Bond Sweden	SKr	12.48
w Bond DEM	DM	1.00
w Bond Dollar	$	1.13
w Multicurrency	$	1.36
w Enskilda Int'l Bond	$	103.05
SOCIETE GENERALE GROUP		
d Asia Fund	$	396.62
d Btw Category A	$	14.87
d Btw Category B	$	32.22
SOGELUX FUND (SF)		
w SF Bonds A U.S.A.	$	13.30
w SF Bonds B Germany	DM	24.51
w SF Bonds C France	FF	97.26
w SF Bonds D Switz	SF	21.36
w SF Bonds E G.B.	£	9.45
w SF Bonds F Japan	Y	1718.00
w SF Bonds G Europe	Ecu	13.69
w SF Bonds H World Wide	$	13.65
w SF Bonds J Belgium	BF	635.00
w SF Eq. K North America	$	13.82
w SF Eq. L W. Europe	Ecu	18.45
w SF Eq. M Pacific Basin	Y	1466.00
w SF Eq. N France	FF	70.00
w SF Eq. P Growth Countries	$	12.78
w SF Eq. Q Gold Mines	$	10.85
w SF Eq. R World Wide	$	13.29
w SF Short Term S France	FF	133.72
w SF Short Term T Eur.	Ecu	13.14
SOGELUX INDEX FUND (SIF)		
w S.I.F. France Capital	FF	997.40
w S.I.F. France Distrib	FF	997.40
w S.I.F. GB Capital	£	119.82
w S.I.F. GB Distrib	£	119.82
w S.I.F. Japan Capital	Y	13293.00
w S.I.F. Japan Distrib	Y	13293.00
w S.I.F. US Capital	$	177.17
w S.I.F. US Distrib	$	177.17
w S.I.F. World Capital	$	136.49
w S.I.F. World Distrib	$	136.49
SODITIC ASSET MANAGEMENT INC.		
w SAM Diversified Inc	$	111.83
w SAM Strategy Inc	$	97.45
SVENSKA HANDELSBANKEN S.A.		
146 Bd de la Petrusse, L-2330 Luxembourg		
w Neptune Maritime Fund	$	8.26
b SHB Bond Fund	$	49.30
w Svenska Sel. Fd Amer Sh	$	12.68
w Svenska Sel. Fd Germany	DM	9.04
d Svenska Sel. Fd Int'l Bd Sh	$	11.36
w Svenska Sel. Fd Int'l Sh	$	48.88
w Svenska Sel. Fd Japan	Y	513.00
d Svenska Sel. Fd Nordic Sh	$	18.48
d Svenska Sel. Fd Pacif Sh	$	4.77
d Svenska Sel. Fd S/T Ass Sh	$	18.58
w Svenska Sel. Fd Swed Bds	SKr	1075.00
SWISS BANK CORP. (Issue Prices)		
d SBC Bond Portfolio - C$	C$	100.00
d SBC Bond Portfolio - Ecu	Ecu	108.00
d SBC Bond Portfolio - FF	FF	500.00
d SBC Euro stock	Ecu	162.00
d SBC Sfr Bond A	SF	1082.55
d SBC Sfr Bond B	SF	1126.31
d SBC DM Short A/B	DM	1073.73
d SBC MMF - C$	C$	4029.19
d SBC MMF - DFL	Fl	6045.86
d SBC MMF - Ecu	Ecu	3002.96
d SBC MMF - FF	FF	20163.69
d SBC MMF - Lit	Lit	4034008.00
d SBC MMF - £	£	2308.27
d SBC MMF - SF	SF	5033.88
d SBC MMF - US - Dollar	$	6595.85
d SBC MMF - Yen	Y	542299.00
d SBC 100 Index Fund	SF	1133.00
d America Valor	$	305.74
d Anglo Valor	£	192.91
d Asia Portfolio	$	556.93
d Convert Bond Selection	SF	97.22
d D-Mark Bond Selection	DM	107.79
d Dollar Bond Selection	$	137.29
d Ecu Bond selection	Ecu	100.60
d Florin Bond Selection	Fl	113.07
d France Valor	FF	1640.93
d Germania Valor	DM	449.84
d Gold Portfolio	$	346.77
d Iberia Valor	Pta	47354.00
d Ital Valor	Lit	388527.00
d Japan Portfolio	Y	29160.00
d Sterling Bond Selection	£	108.48
d Sw. Foreign Bond Selection	SF	102.22
d Swissvalor	SF	370.50
d Universal Bond Selection	SF	77.75
d Universal Fund	SF	108.24
d Yen Bond Selection	Y	10950.00
T. ROWE PRICE ASSOCIATES INC.		
m T. Rowe Price Frontier Ltd	$	9.88
TEMPLETON W.WIDE INVESTMENTS		
GROWTH PORTFOLIO		
d Class A-1	$	9.80
d Class A-2	$	11.00
d Class A-3	$	10.36
d Class B-1	$	9.62
d Class B-2	$	10.82
INCOME PORTFOLIO		
d Class A	$	10.24
d Class B	$	10.20
TERMINVEST Tel: 48.78.92.89		
m Dual Futures Fd Cl D Units	$	107.72
m Galaxy Futures Fund Ltd	$	109.18
THORNTON MANAGEMENT Ltd		
d Pacif Invt Fd SA	£	9.89
d Pacif Invt Fd SA DM	DM	29.08
d Pacif Invt Wrnt Fd SA	£	4.89
d Pacif Invt Wrnt Fd SA DM	DM	14.38
d Eastern Crusader Fund	$	8.41
w Global Access Fund	$	9.08
d Thornton Int'l Dep. Fd	$	1.65
d Thornton HK Gateway Fd	$	17.93
d Thornton Japan Fund Ltd	$	27.06
d Thor. Lilli Dragons Fd Ltd	$	21.28
d Thornton Orient Inc Fd Ltd	$	27.89
w Thornton Phil. Redev. Fd	$	21.64
d Thornton Tiger Fd Ltd	$	30.81
NEW TIGER SEL. FUND		
d Thailand	$	7.96
d Malaysia	$	9.53
d Indonesia	$	6.66
UEBERSEEBANK Zurich		
d B - Fund	SF	1003.95
d E - Fund	SF	549.38
d J - Fund	SF	364.34
d M - Distribution	SF	98.29
d M - Fund	SF	1078.40
d UBZ Euro-Income Fund	SF	9.93
UNION BANK OF SWITZERLAND		
d Amca American Shares	SF	42.50
d Bond-Invest	SF	61.25
d Brit-Invest Shares	SF	797.50
d D-Mark-Invest Bonds	DM	190.00
d Dollar-Invest Bonds	$	108.67
d ESPAC Spanish Shares	SF	201.50
d Eurit	SF	337.50
d Fonsa Swiss Shares	SF	288.50
d Francit Shares	SF	193.00
d Germac Shares	SF	230.50
d Globinvest Shares	SF	107.00 *
d Gold Invest Shares	SF	195.50
d Holland-Invest Shares	SF	244.00
d Itac Shares	SF	198.50
d Japan-Invest Shares	SF	1253.00
d Sima (stock price)	SF	230.50
d Skandinavien-Invest	SF	247.50
d UBS Money Mkt Invest	$	1051.35
d Yen-Invest Bonds	Y	79646.00 *
UNIVERSAL GROUP OF FUNDS		
d Universal Global	C$	6.04
d Universal Cdn. Equity	C$	10.29
d Universal Cdn. Ressource	C$	4.26
d Universal American	C$	9.51
d Universal Pacific	C$	9.14
d Canada Guar. Mortgage Fd	C$	15.11
Other Funds		
r Actilcroissance	FF	520.26
d Actifinance Int'l	$	1062.42
w Actifutures Ltd	$	1861.66
w Actigestion	FF	1188.24
w Activest Int'l	$	28.02
m Advanced Strategies	$	105.95
w Aquila International Fund	$	266.39
b Arlane	$	4151.38
d Asia Oceania Fund	$	9.65
m Associated Investors Inc.	$	806.97
b Atlantic Fund	$	76.58
r Australia Fund	$	18.28
w Balfour Maclaine Series 1	$	975.67
w BDD Inv Fund-Ecu Bd	Ecu	5628.72
w BEM International	$	6.71
w Bondselex-Issue Pr.	SF	107.20
m Cal Futures 1990 Fd Ltd	$	25.32
d CB German Index Fund	DM	122.74 *
w CMI Investment Fund	$	1425.00
d Colbert Croissance	FF	73.21
d Colbert Finances	FF	119968.16
d Colbert Tresor	FF	1231.51
w Convert. Fd. Int'l A Certs	$	17.46
w Convert. Fd. Int'l B Certs	$	60.55
w Cowen Enterprise Fd N.V.	$	995.93
w Cumber Int'l N.V.	$	257.74
d D. Witter Wld Wide Ivt Tst	$	25.34
w D.G.C.	$	218.86
w Daiwa Japan Fund	Y	7862.00
d Dreyfus America Fund	$	20.78
w Dumeiux Amerique	$	1034.59
w Dumeiux Asie Pacifique	$	1034.59
w Dumeiux Bonds Plus	$	951.68
w Dumeiux Europe	Ecu	1065.21
w Dumeiux France	FF	6381.07
w Dumeiux Opportunit	$	1034.59
m Dumenil Arbitrage Fd NV	$	709.42
w Eas Overseas Fund Ltd	$	1202.00
d Emi Belg. Ind. Plus A	BF	8780.00
d Emi Belg. Ind. Plus B	BF	8780.00
d Emi France Ind. Plus A	FF	837.01
d Emi France Ind. Plus B	FF	837.01
d Emi Germ. Ind. Plus A	DM	88.46
d Emi Germ. Ind. Plus B	DM	88.46
d Emi Spain Ind. Plus A	Pta	10093.00
d Emi Spain Ind. Plus B	Pta	10093.00
d Emi UK Index Plus A	£	105.34
d Emi UK Index Plus B	£	105.34
m Enigma Currency Fd	$	24.72
w Espir. Sto Inv M Ecu Bd Fd	Ecu	101.35
w Espir. Sto Inv M Stk Eur Fd	$	9.02
d Esprit Sicav	Ecu	1309.33
d Eurosud	FF	1012.82
d Europe 1992	$	9.70
d Europe Obligations	Ecu	80.55
w F.I.T. Fund FF	FF	123.18
w F.M.P. Portfolio	$	0.5381
w Fairfield Int'l Ltd	$	167.95
w Fairfield Sentry Ltd	$	229.28
w Fairfield Strat. Ltd	$	65.55
m Fatum Fund	$	762.55
w First Eagle Fund	$	39740.78
w First Ecu Ltd	Ecu	92.27
m First Frontier Funds	$	68.24
w FI. Trust Switzerland	SF	98.13
d Fondiitalia	$	79.72
w Fonselex Issue Pr.	SF	156.25
d Force Cash DM Sicav	DM	5326.89
d Force Cash Ecu Sicav	Ecu	2725.92
d Forexfund Limited	$	8.86
w Formula Selection Fd	SF	64.57
d Frankl-Trust Effekten Fd	DM	159.27
d Frankl-Trust Interzins	DM	40.27
m Gems Progressive Fd Ltd	$	1102.73
w George V Inv. Bond F.	$	21.66
m German Sel. Associates	DM	1704.63
d Green Line France	FF	647.58
w Hasenbichler Com AG	$	1517.00
w Haussmann Hldgs. N.V.	$	277.46
d Hentsch T.F.	SF	10196.00
w Hestia Funds	$	162.64
w Horizon Fund	FF	10769.80
w Ibex Holdings Ltd	SF	187.78
w IFDC Japan Fund	Y	29619.00
r ILA-IGB	$	1.55
r ILA-IGS	$	9.94
w Infinity Fund	$	116.8046
r Int'l Securities Fund	Ecu	28.87
m Interface Fund Ltd	$	156.52
d Interfund SA	$	42.44
w Intermarket Fund	$	487.88
w Intersec SA	$	3679.66
d Investa DWS	DM	73.72
d Investmentor Fund	$	107.18
m J Capel Guaranteed Fund	$	9.95
w Japan Pacific Fund	$	220.42
m Japan Selection Asses.	Y	9935.00
w Japan Selection Fund	$	228.56
d JJ Placement	FF	13067.49
w JWH Worldwide Fund	$	8.56
d Kenmar Guaranteed	$	9.30
w Kenmar Int'l - B	$	10434.00
d Kenmar L/C	$	8.17
m Key Hedge Fund Inc	$	113.29
d KML-II H. Yield	$	592.32
w Korea Growth Trust	$	35.52
w LACO International	$	5.58
w Leumi Val. Francaises	FF	991.71
m London Portfolio G'td. I	$	89.71
m London Portfolio G'td. II	$	8.38
m London Portfolio Services	$	10.37
w Luxfund	$	105.43
m Lynx Sel. Holdings	SF	122.10
w M I Multi-strategy	$	1036.58
w M.Kingdon Offshore. N.V.	$	9.02
m Maritime Fund Int'l Ltd	$	854.19
w Mat Growth ESCF	DM	19.47
w Mat Growth USCF	$	11.76
w Matterhorn Offshore Fd	$	9587.18
w Maverick Limited	$	252022.85
w MBE Japan Fund	LF	2224.00
m MCM Int. Limited	$	150.89
d Mediolanum	$	37.42
w Moore Global Invts. Ltd	$	2136.29
d NCA Fund	$	10.39
d New Millennium Fut. Ltd	$	907.15
w Nippon Fund	$	189.00
d NM Inc. & Growth Fund	$	17.49
m NMT Asian Sel. Portfolio	$	194.53
w NMT Citadel Bond	SF	118.73
m NMT Nostec Portfolio	$	140.75
d Nomura-Cap Int'l Eq Fd	$	14.28
w Noveurope	Ecu	2820.37
m NSM Invest. Ltd. Senso SH	$	10.22
m NSM Invest. Ltd. Tetryx SH.	SF	10.07
m NSP F.I.T. Ltd	$	30.41
m Oppenheimer U.S. Arb.	$	135.36
w Optimum Fund	$	1406.58
m Overlook Performance	$	1541.85
d Pacific Nies Fund	$	6.73
d PAM Futures Trod	$	366.63
m Pan European Futures Ltd	$	4813.40
w Pancurri Inc.	$	163.25
m Paragon Fund Limited	$	10.27
w Pluriqestion	FF	99.59
w Plurivest International	FF	111.40
d Precision Fd Ltd	$	74.77
d Premier Futures Ltd	$	1055.09
d Profirent S.A.	DM	1100.27
w Prosp. I.H. Inc. P.F.	$	3.81
w Pupet-Mahe Barclays Pac.	$	164.13
w Pulsar LDC Debt Fd	$	116.9232
w Quantum Fund N.V.	$	16728.81
m Quart Int'l Trad Prog	$	9879.007
w Quasar Fund N.V.	$	109.65
d SAGA Court Terme	FF	1268.15
d SAGA France	FF	446.75
d SAGA Long T. Capital	FF	1166.71
d SAGA Perspectives	FF	1064.50
d SAGA Premiere	FF	1249.59
w Sailor's Intl Equity	Ecu	1014.67
w Sailor's Intl Fixed	Ecu	1016.86
w Samurai Portfolio	SF	290.00
d Sanyo Kle. Spain Fd	$	10.08
d Sarakreek Holding n.v.	$	16.50
d Saturn Fund	$	1085.24
d SCI / Tech. SA Luxembourg	$	17.99
m Scimitar Guar. Curr Fd	$	9.54
m Scimitar Guaranteed	$	8.32
w Securefund 2000 Ltd	$	5.25
m SLH Guar. F.F.I.	$	1123.76
w SP International SA	$	6775.97
d Strat. Int'l Gold Fund SA	$	6.96
m Sussex McGarr	$	1763.00
w Techno Growth Fund	SF	53.47
d Templeton Global Inc.	$	9.42
w The Jaguar Fund N.V.	$	282.05
d The Petrus Fund Ltd	$	1.07
w Thema M-M Futures	$	916.77
m THC (OTC) Jap. Fd Sicav	$	14.71
m Tokyo (OTC) Fund Sicav	$	9.66
w Transpacific Fund	Y	26734.00
d Triton Offshore Class A	$	221.34
d Triton Offshore Class B	$	208.15
d Tudor B.V.I. Futures Ltd	$	8371.00
d Turquoise Fund	$	189.12
m Tweedy Browne (UK) n.v.	$	1375.02
w Tweedy Browne n.v. Cl A	$	3851.03
w Tweedy Browne n.v. Cl B	$	1754.08
d Uni Bond Fund	Ecu	1724.45
r Uni Capital Fund	Ecu	1246.25
d Unico Equity Fund	DM	62.71
d Unico Inv. Fund	DM	71.11
m Unitrod FF	FF	11518.77
m Unitrod SF	SF	1130.96
m Unitrod US$	$	1108.86
d Univers Bonds	DM	149.31
w Ursus Int'l Ltd	$	8471.00
w Vanderbilt Assets	$	16.79
m Victor Futures Fund	$	210.60
w Willer Asian Fund	$	10.49
w Willerbond Capital	$	14.86
d Win Global Fd Bd Ptfl	Ecu	105.32
d Win Global Fd Eq Ptfl	Ecu	111.93
d Win Global Fd Res. Ptfl	SF	207.53
d World Balanced Fund S.A.	$	12.33
w Worldwide Securities	$	41.21
w Worldwide Special	$	884.01
m Zweig Int'l Ltd S/S	$	12147.00

For investment information read THE MONEY REPORT every Saturday in the IHT

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices. N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; ++ Paris exchange; ++ Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

For information on how to have your fund listed, fax Simon OSBORN on (33-1) 46 37 52 12.

With Its Growing Squalor, 'Nobody Wants Gaza,' and Israel Is Loosening Its Grip

By Jackson Diehl
Washington Post Service

GAZA, Israeli-Occupied Gaza Strip — Twenty-four years after Israel's army took control of this city and the sandy stretch of adjacent lands, its hold on the Gaza Strip is visibly weakening, and its will to keep the territory has ebbed.

Prime Minister Yitzhak Shamir and his government still insist publicly that Israel will never withdraw from Gaza. It and the occupied West Bank, Mr. Shamir said recently, are "integral parts of Israel."

But while Israel's control of the West Bank remains strong and the territory's appeal to the country is still powerful, the signs of military, economic and political disengagement from Gaza have been mounting for several years.

Israel's undeclared retreat is under way on a range of fronts: In the last year, the army has sharply reduced its presence in the Gaza Strip, avoiding clashes between troops and Arabs. The result, army commanders acknowledge, is that Israel has yielded a significant degree of control over Gaza's cities and camps, leaving an opening for groups of Palestinian militants who have begun to enforce their own harsh order on the population.

Israel's attempts to absorb Gaza economically and address its severe social problems have foundered, overwhelmed by its exploding population, the lack of funding and international support for Israeli programs, and the violence of the 44-month-old *intifada*, or uprising, against Israeli occupation.

As a result, the government has adopted a new strategy of limiting the employment of Palestinians from Gaza in Israel and allowing the Gaza Strip to develop as an economic center on its own. The army is also attempting to hand over control of Gaza's municipal government, together with services such as trash collection, education and police, to local Palestinians.

The formerly free flow of people and traffic between Israel and Gaza has ended. Since last fall, what was a mere army observation point at the northern entrance to Gaza from Israel has become a full-fledged border in all but name, with barricades, traffic lanes and inspectors who check every car entering or leaving.

While the Jewish population in the West Bank has reached 100,000 and construction of new homes is booming, Jewish settlements in Gaza are stagnating, with 3,000 to 4,000 Jews among 700,000 Arabs. And while many Israelis still say that their country must stay in the West Bank for religious, historical or security reasons, Gaza has become a national symbol of burden and unwanted squalor.

A study released in June by the Guttman Institute for Applied Social Research indicated that 78 percent of Israeli Jews favored withdrawal from Gaza.

Politicians from the main opposition party, Labor, have put forward a once-unthinkable proposal: that Israel simply pull out of Gaza unilaterally, without bothering to ask for any concessions from the Arabs.

The national mood, however, may not have much influence on Israel's bargaining position at the Middle East peace conference that the United States is trying to arrange. Not only does Mr. Shamir appear determined not to make territorial concessions, but Gaza would be linked in the talks to the West Bank, from which Israelis are much more reluctant to retreat. At most, it is felt here, Israel would be expected to agree with Palestinians at the conference on an interim plan for self-government in the territories.

Still, the quagmire of occupation in Gaza could help speed Israeli acceptance of Palestinian autonomy, outweighing the reluctance of Israeli nationalists to make any concession on the West Bank.

"If Egypt or some other power were to come forward and offer to take over Gaza, Shamir would hand it over in the same moment," said Issachar Goldrath, a noted Israeli specialist on Gaza. "But nobody wants it, and that's the terrible situation of Gaza. The problem is not that we want Gaza so much, but that nobody wants Gaza."

For the vast majority of Israelis, as for most West Bank Palestinians, Gaza is a place to be avoided at all costs, a sinkhole of misery and shame that is seen not only as a blight on the country but also as a threat to its citizens.

For Israeli men, reserve duty in Gaza has become a dreaded symbol of the sacrifices they must make to live in Israel. An army commander recently threatened a unit of reserve soldiers with service in the Gaza Strip if they did not volunteer for extra duty elsewhere. A cabaret in Tel Aviv put on a skit this summer that portrayed Mr. Shamir as stubbornly hugging a giant garbage can labeled "Gaza."

The significance of the change in Israel's attitude toward Gaza can be seen in the contrast with the approach it adopted after capturing the territory from Egypt in the 1967 Arab-Israeli war.

In the economic sphere, Israel encouraged total dependence and the integration of Gaza into the rest of the country. It allowed tens of thousands of workers from Gaza to commute to jobs in Israel while discouraging the development of local industry.

For two decades, these policies were moderately successful. By the late 1980s, 50,000 to 60,000 Gazans were traveling daily to Israel for work, and the authority of army patrols that circulated through the refugee camps was unchallenged. All the while, however, the foundations of the Israeli presence in Gaza were being relentlessly undermined, in part by the government's own policies and in part by forces beyond its control.

One such force was population growth. In 1967, when Israel captured the Gaza Strip, it had a population of 350,000, according to a census. Since then, helped by falling infant mortality and one of the world's highest birthrates, the Arab population has doubled to 700,000, according to the army.

The population explosion swamped Israel's underfunded attempts to resettle refugees or meet Gaza's huge demands for investment and social services. It undermined Israel's economic strategy by creating far more mouths than could be fed by commuter work in Israel. And it bred an explosive mixture of youth and frustration.

The explosion came in the intifada.

Rather than breaking the Palestinian uprising in the Gaza Strip, the Israeli Army has struck a tacit, fragile truce with it.

In addition to the new army tactics, Defense Minister Moshe Arens has begun implementing potentially far-reaching measures designed to spur economic development in Gaza, thereby reducing its dependence on jobs in Israel.

At the same time, the Defense Ministry is trying to hand control of local government in Gaza to Palestinian leaders.

Mr. Arens was asked if the creation of a strong economic base inside Gaza as well as a class of Palestinian managers would not ultimately have the effect of making rule by Israel untenable, just as it did in the past for European rulers in the Third World.

"That may be," he answered. "But I think we've seen in the last four decades that the better off people are economically, the easier they are to deal with politically. The European Community is perhaps the best example of that. After a while, with economic development, the political problems tend to disappear."

Turks Vow To Pursue Kurd Rebels

Reuters

ISTANBUL — Turkey, incensed by the kidnapping of 10 German tourists and the killing of nine soldiers, said Tuesday it would take any action necessary to smash a rebellion by Turkish Kurds and to strike their bases in Iraq.

Prime Minister Mesut Yilmaz all but confirmed newspaper reports that the government sent troops across the border into Iraqi territory Monday to strike at mountain bases of the outlawed Kurdish Workers Party.

Asked about the reports, Mr. Yilmaz said he had nothing to add to his pledge Monday that Turkey would do whatever was needed to punish the guerrillas wherever they might be.

"The Turkish government is free to take all the needed steps against people who, making use of the absence of authority in northern Iraq, enter Turkey, commit crimes here and then go back," he said at a news conference in Ankara on Tuesday.

Foreign Minister Safa Giray said that he knew nothing about the reported Turkish attack but that he thought security forces were probably in pursuit of rebels who killed nine soldiers Sunday in a raid on a post 25 kilometers (15 miles) north of the frontier with Iraq.

Such a cross-border raid would not be unprecedented. Twice in the 1980s Turkish planes flew over Iraq with Baghdad's consent to bomb suspected Kurdish Workers Party bases. Military sources in the southeast said troops had launched cross-border pursuits into northern Iraq as recently as April.

"We are fed up," the cabinet spokeswoman, State Minister Imren Aykut, said. "We have no patience left. Everything will be done to eradicate this rebellion.

"Our people are being murdered, tourists are being kidnapped. We will fight these rebels until the day they are totally destroyed."

She was reacting to a statement in Bonn by a Kurdish group that guerrillas of a wing of the Kurdish Workers Party were behind the abduction Thursday of the 10 Germans — four women, three men, two young girls and a boy — from a lakeside campsite.

A spokesman for the National Liberation Front of Kurdistan said at a news conference in Bonn that the German tourists had been seized by a related Kurdish group without the commanders' knowledge or approval but that they would be freed soon.

Gun battles, rockets and murders have killed more than 3,200 people in eastern and southeastern Turkey in the seven years since the Kurdish Workers Party launched its battle for independence for Turkey's estimated 10 million Kurds in August 1984.

Minor Saudi Cabinet Shuffle Falls Short of Vows to Change

By Judith Miller
New York Times Service

PARIS — After months of speculation in Saudi Arabia about major political changes, the government has announced a modest cabinet shuffle that has startled Saudis and diplomats with its limited scope and caution.

The changes were announced in a statement by the official Saudi Press Agency without comment from King Fahd, who repeatedly had promised to make important changes after the Gulf war.

The statement, which was monitored in Paris, made no mention of a consultative council, a constitution or other major changes in the composition of the 17-year-old cabinet that advises the king. The announcement did little more than indicate the filling of two cabinet posts that have been vacant for several years.

Foreigners and Saudis see the limited nature of the moves as a reflection of King Fahd's reluctance to introduce major changes or new figures in the government, despite the resounding Gulf war victory and calls from both religious and secular voices for change and democratization.

There was no indication in the announcement, issued on Thursday, that King Fahd has ruled out more sweeping changes.

Some Saudis said they hoped that the king might announce a new consultative council in the autumn. But other prominent Saudis said they were now pessimistic that the king would expand his official circle.

After the war, hundreds of prominent technocrats and religious leaders signed petitions calling on the king to establish such a council and adopt changes that would modernize and open up the monarchy. Their expectations have now been lowered by the king's recent statements that the Saudi leadership has always consulted with a wide range of qualified religious and liberal secular men.

The statement last week announced that the king had appointed Khaled Anqari, who was minister of municipalities and rural affairs, to be minister of higher education. The post held by Mr. Anqari, who is married to the sister of one of King Fahd's wives, is to be filled by Mohammed Sheikh, formerly the head of the Riyadh Development Authority.

Saudi officials said the latter appointment was interesting not only because Mr. Sheikh, who holds an engineering degree from the University of California at Berkeley, is highly regarded by the kingdom's technocrats, but also because it marks the first time that the king has had two brothers who come from outside the royal family in the same cabinet. Mr. Sheikh's brother Abdul Rahman Sheikh is the minister of agriculture.

The king also appointed Abdul Wahab Attar, formerly the head of technical education, to the post of minister of planning, which has been vacant since 1986.

Conspicuously absent in the cabinet moves was the appointment of a new chief of staff of the Saudi military. The current head of the armed forces, General Mohammed Saleh Hammad, has been ill for several years and has repeatedly requested retirement, a Saudi official said. General Hammad was too ill to play a major role in the Gulf war, and many of his responsibilities were filled by Prince Khaled ibn Sultan, the son of the defense minister and the king's nephew.

John Gaps III/The Associated Press

THE HEAT GOES ON — U.S. fire fighters using a crane Tuesday to clear the area around a burning Kuwaiti wellhead, a crucial process in containing the fire. After the Gulf conflict, retreating Iraqi forces ignited 732 wells in Kuwait. More than 500 are still ablaze.

Arafat Says U.S. Must Let Him Select Palestinian Delegates

By Paul Lewis
New York Times Service

TUNIS — Calling Palestinians "the main factor in the Middle East peace equation," Yasser Arafat, the head of the Palestine Liberation Organization, said Tuesday that the United States must ask him to choose the Palestinian delegation for a peace conference and must guarantee that Israel will trade land for peace.

Otherwise, he said, Palestinians will not be represented at the proposed October talks.

"We are offering a historic chance to make peace in the area," Mr. Arafat said in an interview in the villa that serves as his office here. "But that peace can't be without the Palestinians."

Israel refuses to consider any PLO presence at a Middle East peace conference and has also said it will not negotiate with residents of East Jerusalem, which it views as part of its capital.

But Mr. Arafat repeatedly rejected the Israeli stand.

"I want the same terms as being given to the other participants because the Palestinians are the main factor in the Middle East peace equation," Mr. Arafat said.

"It's a matter of principle," he went on. "Why are only the Palestinians treated in this way? Would Israel accept if I only wanted to deal with the Peace Now Movement, not the Likud government?" he asked, referring to an Israeli peace group.

Mr. Arafat said two Palestinians who met Secretary of State James A. Baker 3d in Jerusalem during his recent Middle East trip — Faysal Husseini and Hanan Ashrawi — could be picked as members of a Palestinian delegation to the conference. Both have now been authorized eight times by the PLO to speak to Mr. Baker, he said.

But he also noted that Israel objected to Mr. Husseini as a delegate because he lives in East Jerusalem.

The Christian mayor of Bethlehem, Elias Freij, who has met Mr. Baker three times and is now in Washington, is another potential delegation member, Mr. Arafat said.

But he added that the PLO also wanted to be able to appoint additional delegates, including representatives of Palestinians living outside the occupied territories.

In addition to being able to pick Palestinian delegates, Mr. Arafat said, he wanted "assurances" from the United States that the foundation of any Middle East settlement would be President George Bush's March 6 speech to Congress.

In that address, Mr. Bush called for a settlement based on Israel's surrender of occupied Arab territories in return for peace, as laid down in Security Council Resolutions 242 and 338.

This stand was also endorsed by the Group of Seven meeting last month. They called for a Middle East peace settlement based on these two resolutions and "the principle of territory for peace."

Mr. Arafat said that if Israel showed more "flexibility," the PLO could agree to participate in the talks through a decision of its Central Committee, which, he said, could be convened quickly.

Mr. Arafat said that if the PLO decides not to participate in the conference, then "not one single Palestinian will turn up."

Iraq Owes Those Who Fled War, UN Group Says

Reuters

GENEVA — Workers who had to leave Kuwait or Iraq because of the Gulf crisis will be eligible for minimum compensation from Iraq of $2,500, according to a Belgian diplomat, Philippe Berg, chairman of the governing council of the UN Compensation Commission.

The commission, set up expressly to deal with losses resulting from the Iraqi invasion and occupation of Kuwait a year ago, has finished its first session. It comprises representatives of the 15 members of the UN Security Council.

Mr. Berg said he could not estimate the eventual extent of claims from people and governments. "But it will be Himalayan," he said.

An estimated million non-Iraqis fled Kuwait and Iraq after the occupation, including thousands of Indians, Pakistanis, Filipinos, Sri Lankans, Egyptians, Thais and many highly paid Westerners.

HOSTAGES: List of Missing in Lebanon

Reuters

Following is a chronological list of foreigners missing in Lebanon, with the dates on which they disappeared. Most are believed to be hostages of pro-Iranian militants. Groups that have taken responsibility for kidnapping hostages are listed if they have produced evidence of holding captives, such as photographs or documents.

1985

- March 16: Terry A. Anderson, American, 43. Chief Middle Eastern correspondent of The Associated Press. Held by Islamic Jihad for the Liberation of Palestine.
- June 9: Thomas Sutherland, American, 60. Born in Scotland. Dean of agriculture at the American University of Beirut. Held by Islamic Jihad.
- Sept. 11: Alberto Molinari, Italian, 71. Insurance company employee who had lived in Lebanon for more than 20 years.

1986

- April 17: John McCarthy, British, 34. Journalist for Worldwide Television News.
- Sept. 12: Joseph James Cicippio, American, 60. Deputy controller of the American University of Beirut. Held by Revolutionary Justice Organization.
- Oct. 21: Edward Austin Tracy, American, 60. Book salesman. Held by Revolutionary Justice Organization.

1987

- Jan. 20: Terry Waite, British, 52. Envoy of the Archbishop of Canterbury. Disappeared during mission to free Western hostages.
- Jan. 24: Alann Steen, American, 52. Professor of journalism at Beirut University College. Held by Islamic Jihad.
- Jan. 24: Jesse Turner, American, 44. Professor of computer science and mathematics at Beirut University College. Seized with Mr. Steen and held by Islamic Jihad.

1989

- May 12: Jack Mann, British, 77. Retired airline pilot and nightclub manager who had lived in Lebanon for more than 40 years.
- May 16: Heinrich Strübig, German, 50. Aid worker for ASME-Humanitas relief agency, which cares for Palestinian refugees. Held by the Freedom Strugglers.
- May 16: Thomas Kemptner, German, 30. ASME-Humanitas worker, seized with Mr. Strübig.

HOSTAGES: *Talks Proposed*

(Continued from Page 1)

representative of Islamic Jihad, The Associated Press reported.

[Mr. Anderson's sister, Peggy Say, said the State Department had notified families of the U.S. captives on Monday of a possible hostage release.

[Mrs. Say, who has been active in efforts to free the hostages, said the United States had reports through diplomatic channels of the forthcoming release of an American and a Briton.]

The statement came one day after an Iranian English-language newspaper, the Tehran Times, said an American hostage and a British captive would go free by the end of the week. The daily is known to be close to the Iranian Foreign Ministry.

In its statement, Islamic Jihad said that the issue of the hostages had grown very complicated and had "become today a resource for the policies of America and Israel." The group added that the problem had been "left unattended" and would "never be resolved until they deal with it in a responsible and serious manner."

■ **Hope at White House**

The White House said Tuesday that it was hopeful there might finally be a breakthrough in the ordeal of Western hostages in Lebanon but stressed that previous hopes had often been dashed, news agencies reported from Washington.

"We're obviously hopeful that something will come from this," the White House spokesman, Marlin Fitzwater, said at a news briefing. "We'll just have to wait and see."

At the United Nations, Mr. Pérez de Cuéllar said, "I hope that what I am hearing is the beginning of a solution."

He declined to answer when asked whether a UN representative had been meeting with Islamic Jihad. "It's a very delicate situation," he said at a news conference.

Last year, another pro-Iranian group used a hostage release to send a message to the United States. The Organization of Islamic Dawn released an American hostage, Frank Herbert Reed, on April 30, 1990, and said he was carrying a message to the White House. The contents of the message were never disclosed.

IRAQ: *Baghdad Acknowledges a Yield of Plutonium*

(Continued from Page 1)

um from spent fuel in a small reactor.

Mr. Gallucci said that the plutonium was far short of the amount needed to produce a nuclear weapon and that Baghdad denied it was intended for a bomb. He stressed that the significance was that Iraq had been able to obtain nuclear-weapons-grade material in a laboratory subject to UN scrutiny.

"This is a very serious matter," he said. "The facility was under safeguards, but the activity was not reported."

Baghdad at first denied having any projects to process uranium, but in recent months, as it has sought to have UN trade sanctions lifted, it disclosed three secret projects. The disclosure about the plutonium is the fourth program that could have been meant to develop material for a nuclear bomb.

Even before the latest admission, the United States criticized Iraq's disclosures as concealing the true extent of its weapons programs. The U.S. has not ruled out military action to destroy them.

Paul L. Leventhal, president of the Nuclear Control Institute in Washington, said the revelation was the clearest and strongest to date that Iraq was on the track toward a nuclear bomb.

"This represents fair warning," he said.

Since its defeat in the Gulf war, Iraq has been required under UN Resolution 687 to list all types, amounts and locations of chemical and biological weapons, as well as all material that could be used in making nuclear weapons and ballistic missiles.

In April, Iraq informed the United Nations that a substantial arsenal of chemical and ballistic weapons survived the war, but it denied having nuclear arms, nuclear-weapons-grade materials or biological weapons.

Mr. Leventhal said the acknowledgement of a plutonium-processing program was significant because — though it is extracted by a procedure "messier" than trying to build a bomb from enriched uranium — it is also easier to conceal.

"In some ways, plutonium is the preferable material because you don't need as much of it for a bomb," he said.

Mr. Leventhal said about eight kilograms (18 pounds) of plutonium — which can be chemically separated from spent fuel from a reactor — is needed to make an imploding nuclear device.

Russia Communist Chief Out

By David Remnick
Washington Post Service

MOSCOW — The hard-line Russian Communist Party organization tried to head off its own collapse Tuesday as it replaced its unpopular leader, Ivan K. Polozkov, and banned from the party ranks Alexander Rutskoi, the head of a new breakaway faction.

Mr. Polozkov, one of the country's best-known hard-liners, offered his resignation at a meeting of the republic's Communist leadership. The offer was accepted immediately. He was replaced by a Central Committee member, Valentin Kuptsov, another conservative, but one without Mr. Polozkov's tarnished reputation.

Mr. Polozkov and the Russian party have been a base of power for the orthodox Communists, *apparatchiks* and military men who opposed President Mikhail S. Gorbachev's changes and the even more radical positions of the Russian leader, Boris N. Yeltsin. The Russian party has been far more conservative than the Soviet party.

Now Mr. Rutskoi, who is Mr. Yeltsin's deputy president and an Afghan war hero, has challenged Mr. Polozkov's claim to speak for the biggest republic's party organization. Over the weekend, Mr. Rutskoi and his followers in the breakaway faction Communists for Democracy decided to create a new party, the Democratic Party of Russian Communists. They will challenge the Russian party for control of the republic party's buildings and other properties.

The new party's constituent congress released a resolution denouncing the Russian party's "totalitarian legacy" and "ideological dogmatism." Mr. Polozkov denounced the new party as "the party of impostors."

In addition to setting Mr. Rutskoi loose, Mr. Yeltsin has banned party organizations from workplaces and government offices — an edict that went into effect this week. The party's central committee has challenged the order, but many cells are already disbanding.

Mr. Polozkov could only stand by helplessly last month as Mr. Gorbachev proposed a new Communist Party charter that owes more to European social democracy than to dogmatic Marxism-Leninism. He has decried attempts "to destroy the party from within," seen by some observers as a clear accusation against Mr. Gorbachev.

Mr. Polozkov was well known for his predictions of doom and conspiracy, his denunciations of all that smacked of Western-style change.

A former party secretary from the southern Russian city of Krasnodar, Mr. Polozkov did little to hide his orthodox views. After his election last year, Komsomolskaya Pravda said the organization hates "Gorbachev, will never agree to a market economy, is irate about openness and a democratic news media" and "is prepared to destroy those who think differently."

Yuri A. Prokofiev, the leader of the Moscow party committee and a member of the Soviet Politburo, told the press agency Interfax that Mr. Polozkov's presence as Russian party leader had become "harmful" and that "he had to be replaced."

■ **U.S. to Help Balts**

The White House said Tuesday that it would extend special help to the three Baltic states to increase exports under the new, liberalized trade status extended to both Moscow and the Baltics last week, The Associated Press reported from Washington.

The White House press secretary, Marlin Fitzwater, said the administration had decided to supplement the extension of most-favored-nation status to the Soviet Union with special provisions for Estonia, Latvia and Lithuania.

CRISIS: *EC Urges West to Back Truce in Yugoslavia*

(Continued from Page 1)

the six-month rotating EC presidency.

To step up international pressure on Yugoslavia's feuding republics to stop fighting, the EC foreign ministers said they would ask the Conference on Security and Cooperation in Europe, a 35-nation group that includes the United States, the Soviet Union and almost all European nations, to support the EC cease-fire efforts. A meeting of the group is scheduled for Thursday in Prague.

The French foreign minister, Roland Dumas, said the Community was seeking "to sensitize the international community to the Yugoslav drama."

If the Yugoslav fighting flares into an all-out civil war, it could result in an exodus of hundreds of thousands of Yugoslavs to Italy, Germany or other European nations. In addition, since many people of Hungarian and Albanian descent live in Yugoslavia, some European officials fear that a war could spread to other nations as they seek to protect their ethnic minorities in Yugoslavia.

The foreign ministers backed the plans of Britain and France, which are permanent members of the United Nations Security Council, to keep the council informed about developments in Yugoslavia with a view to the council's "taking such measures as may be deemed appropriate." A senior British official said the Security Council might explore ways to intervene if the fighting escalates and threatens other nations.

At the meeting on Tuesday, Mr. Dumas urged that West European nations send a peacekeeping force to Yugoslavia. That idea will be considered in London at a meeting of the Western European Union, a nine-nation European defense organization.

In their communiqué, the EC foreign ministers urged the Yugoslav federal presidency to convene a roundtable on the future of the country. The ministers added that they were ready to convene such a conference themselves if necessary.

The ministers said the negotiations should be based on two principles: that borders not be changed by force and "that any solution should guarantee the rights of minorities in all republics."

The Community has already frozen $1 billion in aid slated for Yugoslavia. On Tuesday, the ministers asked the EC Commission, the Community's executive arm, to examine ways that aid might go to republics such as Croatia that have cooperated in the cease-fire.

The Community's failure to agree to bolder actions on Tuesday pointed to significant differences among the 12 EC nations. The German foreign minister, Hans-Dietrich Genscher, has suggested recognizing the sovereignty of Slovenia and Croatia in part to punish Serbian guerillas for capturing land outside their republic. But other EC nations, such as Spain, where there is a strong Basque separatist movement, oppose recognizing the breakaway republics.

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THE BRITISH STAGE

John Haynes

From left, Kevin McNally, Eleanor David and Bob Goody in "Four Door Saloon" in London.

'Tovarich,' Rubles-to-Rags Comedy

By Sheridan Morley
International Herald Tribune

LONDON — After a thoroughly shaky artistic and box-office start to the summer season, Chichester has found itself the hit it so badly needed with Jacques Deval's "Tovarich."

Almost 60 years old, unseen in Britain since the end of the war, and on Broadway only in a somewhat catastrophic Vivien Leigh musical version, this is in many ways the perfect Chichester play in that it deals with the servant problem, the disappearance of old money and the social issues arising when the new bourgeoisie finds itself in charge of the ancient impoverished regime. The only amazement is in finding that the play has never before been seen in West Sussex.

The movie of 1937 starred Claudette Colbert and Charles Boyer, but originally it was the great Eugenie Leontovich who made the stage success. That role now goes to the prima ballerina assoluta Natalia Makarova who brings to it much the same broken-English charm and eccentricity that was for many years the key to the local success of Yvonne Arnaud.

Makarova and Robert Powell play the White Russian aristocrats who, reduced to Parisian poverty by the unfortunate revolutionary events of 1917, have to become butler and maid to an upstart banker and his overfed wife.

In essence therefore, we have two quite distinct plays here: one is the old "Admirable Crichton" comedy of manners about servants being vastly superior to their superiors; the other is a rather more serious look at what was for the mid-'30s still an extremely topical issue, the plight of the old Russian aristocracy when separated from its rubles and Chekhovian estates.

But the brilliance of Deval and his original American translator, the dramatist Robert Sherwood, was to unite these domestic and political themes in a social satire of elegant and tremendous expertise. And Patrick Garland's new Chichester production — one that will doubtless soon find its natural London home at the Haymarket — *is a textbook example of period* high comedy.

Makarova, though still in trouble with the English language, swoops and flutters around the stage like some demented ostrich as Grand Duchess Tatiana, while Powell as her weary, destitute prince has precisely the right air of grace under pressure from all sides.

Up against them, we have Rowland Davies and Sarah Badel as their wonderfully gauche employers, and, cast against type, Tony Britton in a fine last-act appearance as the commissar who manages to retrieve the tsarist fortunes to bankroll another decade of communism.

Period pieces seldom come more perfect than this, and its ending, with the grand duchess, who is still a maid, carefully leaving out the milk bottles for the morning before setting off in full regalia to a gathering of exiled Russian royalty, has a fabulous neatness in construction.

That is rather more than can be said for Jennifer Phillips's "Four Door Saloon" at Hampstead. A new play set in the back office of a minicab service, this at best resembles one of those extra-long opening episodes of American television series in which half a dozen separate strands of plot have to be established so that we can follow each of them through the coming weeks. Thus we get a wide selection of urban cowboys and their women, with Kevin McNally as the proprietor of the business and Bob Goody as his demented sidekick.

Some good one-liners in the first half lead to the terrible realization that all we really have here are 10 characters in search of an author and that nothing in Geraldine McEwan's agile production can disguise a chronic lack of plot or development or purpose. In that, though, the play does at least resemble the average conversation you get with minicab drivers.

Natalia Makarova in "Tovarich" in Chichester.

Abbey Lincoln, Out of the Shadow

By Lisa Jones

NEW YORK — "Sometimes I think I'm a late bloomer," said Abbey Lincoln, the jazz singer. "My instrument started to expand when I turned 40." Lincoln, who will turn 61 this month, has transformed herself over the decades from a sexy chanteuse on the supper-club circuit to Hollywood actress to jazz vocalist in the company of innovators like Max Roach and Sonny Rollins to, in the last 10 years, consummate vocalist, lyricist and songwriter.

Last year's critically acclaimed album "The World Is Coming Down" (Verve), which featured many of her own buoyant compositions along with intelligent spins on standards, has propelled Lincoln once and for all out of the shadow of her early idol, Billie Holiday.

But her refined signature sound — a timbre laced with sarcasm, longing and a survivor's strength — still retains her Billie Holiday legacy: the unorthodox use of time, the unexpected flip of a musical phrase. "For the first time in my life, I like the sound of my voice," she said.

Lincoln's performance Wednesday as part of the fifth annual Classical Jazz series will be her third at Lincoln Center in New York City. She appeared there in the late '80s in a tribute to Holiday and again in a retrospective of the music of Roach, to whom she was once married. This time she will appear on a double bill with Shirley Horn entitled "Two Divas of Jazz."

On Sept. 10, the Black Filmmaker Foundation will have a benefit showing at the TriBeCa Film Center in New York of the documentary "You Gotta Pay the Band: The Words, the Music and the Life of Abbey Lincoln," which will be broadcast outside the United States in October.

Lincoln's new album, "You Gotta Pay the Band" will be released in September featuring old-guard jazz artists like Stan Getz and Hank Jones. All the arrangements are her own — a first for Lincoln — as well as half the songs.

Like Cicely Tyson and Miriam Makeba, Lincoln has been an important transitional figure for black women and their image in the media. Her work as an actress is significant because her roles broke with the stereotypes of the time: most notable are two films of the '60s that dealt with racism and integration, "Nothing but a Man" (opposite Ivan Dixon) and "For the Love of Ivy" (opposite Sidney Poitier).

Dixon, who is interviewed in her documentary, says that Lincoln's "strong sense of personal worth and beauty became a standard for black women of the day."

Her passage from a bouffant-coiffed starlet to a socially conscious jazz artist with an Afro presaged the course that black identity would take in the '60s.

Born Anna Marie Woolfridge, Lincoln grew up in a small town in Michigan, one of 12 brothers and sisters. She sang the songs of Ella Fitzgerald and Sarah Vaughan with a high school band, then left for Jackson, Michigan, at 18 to sing for children in a church basement.

By 1952, Lincoln was singing with rhythm-and-blues bands in bars, "joints" she calls them, in Honolulu.

The producers at the Moulin Rouge, a Hollywood nightclub, gave her the name Gaby Lee in 1955 because they thought it sounded French and high class. Shortly afterward, the songwriter and producer Bob Russell took her for a client and named her Abbey Lincoln: Abbey for Westminster Abbey, Lincoln for Abraham Lincoln.

In her first film cameo, in "The Girl Can't Help It" (1956) with Jayne Mansfield, Lincoln vamped in a skimpy red dress once worn by Marilyn Monroe in "Gentlemen Prefer Blondes."

Said Lincoln: "I was given the cover of Ebony as 'the girl in Marilyn Monroe's dress.' I didn't realize at the time the dress was such a powerful symbol. Shortly after the film, I burned it in an incinerator to make sure I'd never wear it again."

FEELING at odds with her sexpot image, she began to question the Hollywood scene. "It was dangerous," she said, "and I was learning to drink. My press agent invented a portrait of me as an imitation of Marilyn Monroe. But I wanted my decency. I also knew deep down that I didn't know how to sing yet. I felt like a fake."

At that point, Roach invited her to come to New York. "He was this great artist," she said, "and he helped save me from a world that didn't take me seriously."

Lincoln moved in with Roach and was introduced to a community of musicians and writers. "Jazz musicians were ambassadors all over the world back then. There was so much creativity. Through Max I met John Coltrane, Sarah Vaughan, Count Basie, Duke Ellington."

She married Roach in 1960 and segued into the jazz world, recording with the likes of the saxophonist Coleman Hawkins and the trumpeter Roy Eldridge. Lincoln's contribution to Roach's infamous "Freedom Now Suite," the jazz anthem of the civil rights movement, marked her as a radical.

"I took the weight because I was the voice, I was the one that yelled in everyone's ears. It hung with me for a long time," Lincoln said. On "Straight Ahead," the solo album that established her as a jazz voice to be reckoned with, Lincoln set lyrics to Thelonious Monk's classic "Blue Monk." "I feel like Monk was my big brother," she said. "He came to this session and whispered in my ear, 'Don't be so perfect.' He meant, even if your voice cracks, it'll give you texture."

In 1971, Lincoln left her husband and moved back to California. "Max had been my teacher, my protector," she said. "He was willing to give me everything as long as I did what he said. I still loved him but I didn't want to be married to him, or to any other man."

Even though her serious films were only a few years in the past, there was no work for her in Hollywood except an occasional television role. (She appeared in an episode of "Mission Impossible" and, last year, played the main character's mother in Spike Lee's film "Mo' Better Blues.")

"Even today a black woman is in trouble if she sees herself as just an actress," she said. "The only roles for black women, for the most part, were and still are as prostitutes." In the meantime, she cut a solo album in Japan and collaborated with the saxophonist and composer Archie Shepp in Europe.

Lincoln's return to New York City in 1981 roughly coincided with the arrival of a crop of young musicians, some of whom, like the saxophonist Steve Coleman and the singer Cassandra Wilson, would emerge as M-Base, the Brooklyn-based new jazz collective. Coleman began performing with Lincoln and helped assemble her new band.

The title of her new album is a reference to a friend's television play. "If You Give a Dance, You Gotta Pay the Band." Leaning across the table, she recited the lyrics of her title song:

It isn't easy just to let the good times roll
Everything is measured at a cost
Everyone living pays their share of dues
And sometimes what you think you got, you lost.

Settling back in her chair over lunch, she added, "I'm talking about the dues that I've paid to be whoever it is that I am. I've been on stage for 40 years, in and out of the shadows, and I've never made any money."

"All I have is potential," she said, batting her eyelashes like someone who was once named Gaby Lee. "But it keeps me young and fine."

Keith Meyers, The New York Times

Abbey Lincoln at her Harlem home — a "late bloomer."

Lisa Jones, who writes about music and popular culture for The Village Voice, wrote this for The New York Times.

Nazi Hate Movies Still Stir Fierce Passions

By Rebecca Lieb

DO the propaganda films made by the Nazis to inspire anti-Semitic prejudice still have the power to stir up hate? Are they dangerous or should they be shown? If they are to be shown, who will show them and under what circumstances?

Some 1,400 films were made under the supervision of Joseph Goebbels, Hitler's minister of propaganda. At least three ("Jud Süss," "The Rothschilds" and "The Eternal Jew") were rabidly anti-Semitic. The most vitriolic is the pseudo-documentary "The Eternal Jew," shot in the Warsaw ghetto in 1940. Jews are portrayed as a lice-infested, lazy and avaricious people, who disguise themselves in European garb to infiltrate and usurp Western civilization.

Jewish migration is compared visually to a plague of rats. Prominent individuals are attacked, including the "deadly enemy" Charlie Chaplin and "the relativity Jew" Albert Einstein. Graphic scenes of kosher butchering, showing Jews as bloodthirsty and sadistic, climax the diatribe.

Whether "The Eternal Jew" and the other Nazi films should now be seen is stirring debate in the United States and Germany. In the United States, a major archive for films about Jewish life is restricting access. In Germany, the state-appointed custodian of the films has launched a campaign against an American who has distributed videocassettes of the films.

Those believing they are dangerous, including the German government and some Jewish groups in

the United States, demand that the films be kept inaccessible to all but a scholarly few. Arguments over morals, censorship, freedom of speech and copyright are raging.

The major archive, the National Center for Jewish Film at Brandeis University in Massachusetts, obtained prints of "The Eternal Jew" and other anti-Semitic films from the German government in 1988. Sharon Rivo, the executive director of the center, is opposed to allowing them to be shown to the public and will only permit scholars to see them after a panel has reviewed applications.

"This is not a First Amendment issue," she says. "We are protecting the rights of the dead." She likens the portrayal in "The Eternal Jew" of the Warsaw ghetto, whose detainees were later deported to concentration camps, to the videos of Iraqi-held American hostages televised during the Gulf war.

Jeffrey Abramson, a professor of politics at Brandeis who was chairman of a recent forum on the validity of showing "The Eternal Jew," disagrees. "If this film isn't a test case for the First Amendment, then I don't know what is." But he calls the film "the ultimate snuff movie" made to inspire Nazis to kill Jews. And the Jews who appeared in it were killed.

While Abramson cautiously asserts that there may be social benefits to allowing "The Eternal Jew" to be shown, Rivo says that without a study to measure the impact of the film on audiences, the center will continue to restrict access. Rivo recently denied a request from Bill Moyers to use clips from the film in a PBS special on hate, fanning allegations of censorship.

The center's efforts to control "The Eternal Jew" are also frustrated by legalities. Rivo asserts that her archive is the only legally authorized distributor of the films in the United States.

The center struck an agreement with the German government to bar transfer of the films to video. But videos of the films have been in the United States for a long time and, despite the center's claim of exclusive rights, most legal experts agree that the films are in the public domain. Anyone can buy or rent video and film copies from four or five mail-order sources.

Super Film/Ossi Fotos/Berlin

From "The Eternal Jew."

Both Rivo and Karl Wörner, president of Transit Film, a German government-owned distributor that claims to control world rights to the films, allege that any distribution in the United States other than by the Jewish film center or German government is illegal. In Germany, showing any Nazi propaganda film is prohibited.

Wörner has launched a campaign in the German press against Americans who sell the films or videos. Peter Bernotas, president of International Historic Films, a Chicago-based company that has distributed Nazi videos since the early 1980s, has been the target of criticism. His activities have led Wörner to publicly call him a Nazi sympathizer who supplies hate groups with propaganda material.

Bernotas makes no reply to this. He declines to address the moral issues that others raise about his business. He says that it is company policy not to sell Nazi films to hate organizations, and that his cassettes carry disclaimers warning that the films are "extremely prejudicial in nature." He says his market is Jewish groups and Holocaust study centers. Hate groups already have the films, he says.

BERNOTAS'S activities were called into question when it was discovered that his company advertised Nazi films in The Spotlight, a magazine published by the Liberty Lobby, described by the Anti-Defamation League of B'nai B'rith as "the wealthiest and most active anti-Semitic organization in the United States."

Bernotas says the ads were placed by an advertising agency, which described the paper to him only as "conservative and anti-Communist." Although the ads have stopped, the revelation was damning.

Lawrence Grossman, an advocate of free access to Nazi films, which he obtained from Bernotas for his company, the Jewish Video Library, severed business contacts with Bernotas's company after the disclosure.

The Anti-Defamation League does not support blocking Nazi films. The league's director of research, Alan Schwartz, said that the organization is "opposed to censorship and keeping films under lock and key." Schwartz calls for responsible handling of the material.

Others, like the documentarian Frederick Wiseman, call for a ban on any restrictions. "I can't believe anyone with an ounce of intelligence could take that film seriously," he said of "The Eternal Jew."

But a viewer who considers himself a free-speech absolutist, seeing "The Eternal Jew" for the first time, found the film's fierce racism extreme to a degree of near absurdity. "The real danger," said Andrew Horn, a director, "is that this could become a cult film."

Rebecca Lieb, a correspondent for Variety based in Berlin, wrote this for The New York Times.

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☐ 1/4 ticket(s) £ 84.- or US $ 138.- or DM 234.- each

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Street _____
City _____
Country _____ Postal Code _____

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No additional charges.

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☐ Access/MasterCard/Eurocard
☐ American Express ☐ Visa

Account No. _____
Expiry date _____

Date/Signature of cardholder

8724

ACROSS

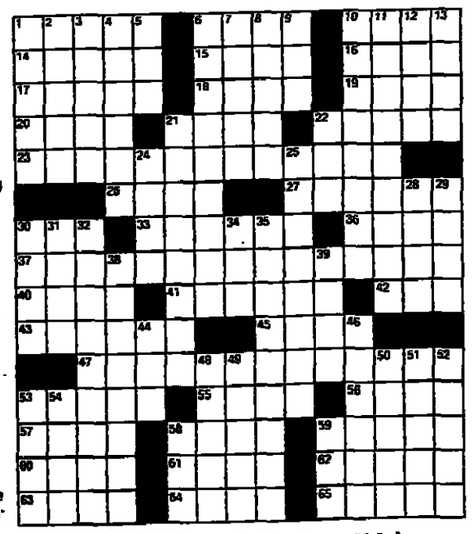
1 Make ——— (grimace)
6 Epidermis part
10 Yield
14 Union unit
15 At all
16 Dash
17 Oil for the lamps of Roma
18 Some kind of nut
19 An anagram for rode
20 Some evergreens
21 Some hair
22 Some notes
23 Famous existential dilemma
26 Certain dirty condensate
27 Merited
30 Pronoun for a ship
33 All square
36 Remotest of the Aleutians
37 Famous anthropo-geographic distinction
40 Actor Bates
41 Out of fashion, in Paris
42 —— Palmas
43 Soft silk fabric
45 Solemnity
47 G.B.S. play: 1894
53 S.A. monkeys
55 Nephew of Donald Duck
56 Cloth of gold
57 Simone de Beauvoir, to Sartre
58 Clairvoyant
59 Dinette for Juvenal
60 Heroic poetry
61 Macadamize
62 Topknot
63 Dryer fallout
64 Mimicked
65 Fools

DOWN

1 Soaring
2 Leaf
3 Bitter
4 Effects
5 A red one may be slippery
6 A language or dog
7 Rounded convex molding
8 Released, in a sense
9 Period or stat
10 Appealing to the intellect
11 Rudimentary
12 Part of a base
13 A grandson of Adam
21 Furnishes
22 Extinct bird
24 Red sky at dawn, for example
25 Lukewarm state
28 "Vulcan's forge"
29 Togs
30 Ginger chaser
31 Complete: Comb. form
32 Efflux
34 Hanoi's land, to a G.I.
35 In random sequence
38 Most irate
39 Mr. Pecksniff
44 Rheme's river
46 Snigglers
48 "It takes —— o'livin'" Guest
49 Nine, in Navarra
50 Medieval clubs
51 Divert
52 Ravens' havens
53 Eastern Asian weight
54 Body of African warriors
58 Hot tub
59 Wood sorrel

Solution to Previous Puzzle

D	E	S	K		D	O	E	S		S	H	E	L	F
A	N	O	N		I	D	E	A		E	E	L	E	R
B	E	L	O	N	G	I	N	G		O	R	O	N	O
		L	O	I	N		A	L	U	M	N	A	E	
B	A	L	L	O	T			O	L	E	G			
A	M	O		S	A	F	E	S	T		T	A	M	P
K	O	N		E	L	A	N	E	T		I	T	O	R
E	R	G	S			N	I	P			C	I	T	E
R	A	F	T		Z	O	D	I	A	C		O	O	P
S	L	E	Y		I	N	S	A	N	E		N	R	A
		L	R	O	N			G	L	A	S	S	Y	
S	I	L	E	N	C	E		B	U	L	B			
A	T	O	N	E		P	R	O	L	O	N	G	E	D
N	E	W	E	R		I	A	N	A		E	A	S	Y
S	A	S	S	Y		C	H	E	R		R	O	T	E



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NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued on page 11)

NYSE Highs-Lows

NEW HIGHS 121

AbbottLab, AlcoStd, AlexAlex, AlexBald, AlgonGrp, AlldCp, AlldSignl, AlldTch, AlldWsh, AlldWsh pf, AlldWsh pfA, AlldWsh pfB, AlldWsh pfC, AlldWsh pfD, AlldWsh pfE, AlldWsh pfF, AlldWsh pfG, AlldWsh pfH, AlldWsh pfI, AlldWsh pfJ, AlldWsh pfK, AlldWsh pfL, AlldWsh pfM, AlldWsh pfN, AlldWsh pfO, AlldWsh pfP, AlldWsh pfQ, AlldWsh pfR, AlldWsh pfS, AlldWsh pfT, AlldWsh pfU, AlldWsh pfV, AlldWsh pfW, AlldWsh pfX, AlldWsh pfY, AlldWsh pfZ, AlldWsh pfAA, AlldWsh pfBB, AlldWsh pfCC, AlldWsh pfDD, AlldWsh pfEE, AlldWsh pfFF, AlldWsh pfGG, AlldWsh pfHH, AlldWsh pfII, AlldWsh pfJJ, AlldWsh pfKK, AlldWsh pfLL, AlldWsh pfMM, AlldWsh pfNN, AlldWsh pfOO, AlldWsh pfPP, AlldWsh pfQQ, AlldWsh pfRR, AlldWsh pfSS, AlldWsh pfTT, AlldWsh pfUU, AlldWsh pfVV, AlldWsh pfWW, AlldWsh pfXX, AlldWsh pfYY, AlldWsh pfZZ, AlldWsh pfAAA, AlldWsh pfBBB, AlldWsh pfCCC, AlldWsh pfDDD, AlldWsh pfEEE, AlldWsh pfFFF, AlldWsh pfGGG, AlldWsh pfHHH, AlldWsh pfIII, AlldWsh pfJJJ, AlldWsh pfKKK, AlldWsh pfLLL, AlldWsh pfMMM, AlldWsh pfNNN, AlldWsh pfOOO, AlldWsh pfPPP, AlldWsh pfQQQ, AlldWsh pfRRR, AlldWsh pfSSS, AlldWsh pfTTT, AlldWsh pfUUU, AlldWsh pfVVV, AlldWsh pfWWW, AlldWsh pfXXX, AlldWsh pfYYY, AlldWsh pfZZZ, AlldWsh pfAAAA, AlldWsh pfBBBB, AlldWsh pfCCCC, AlldWsh pfDDDD, AlldWsh pfEEEE, AlldWsh pfFFFF, AlldWsh pfGGGG, AlldWsh pfHHHH, AlldWsh pfIIII, AlldWsh pfJJJJ, AlldWsh pfKKKK, AlldWsh pfLLLL, AlldWsh pfMMMM, AlldWsh pfNNNN, AlldWsh pfOOOO, AlldWsh pfPPPP, AlldWsh pfQQQQ, AlldWsh pfRRRR, AlldWsh pfSSSS, AlldWsh pfTTTT, AlldWsh pfUUUU, AlldWsh pfVVVV, AlldWsh pfWWWW, AlldWsh pfXXXX, AlldWsh pfYYYY, AlldWsh pfZZZZ, AlldWsh pfAAAAA, AlldWsh pfBBBBB, AlldWsh pfCCCCC, AlldWsh pfDDDDD, AlldWsh pfEEEEE, AlldWsh pfFFFFF, AlldWsh pfGGGGG, AlldWsh pfHHHHH, AlldWsh pfIIIII, AlldWsh pfJJJJJ, AlldWsh pfKKKKK, AlldWsh pfLLLLL, AlldWsh pfMMMMM, AlldWsh pfNNNNN, AlldWsh pfOOOOO, AlldWsh pfPPPPP, AlldWsh pfQQQQQ, AlldWsh pfRRRRR, AlldWsh pfSSSSS, AlldWsh pfTTTTT, AlldWsh pfUUUUU, AlldWsh pfVVVVV, AlldWsh pfWWWWW, AlldWsh pfXXXXX, AlldWsh pfYYYYY, AlldWsh pfZZZZZ

NEW LOWS 7

PamSteel, PrimeMtrLP, WstnWste, LiveEnt pf, SunshMn pf, MGMG rt, Transco pf, MBeshPrp n, USFG pf C

AMEX Highs-Lows

NEW HIGHS 22

ActionInd, AmTr-bmy sc, CCoDecl o, Medichem, PGE 24bnIK, Tranzonic, AmBlltr n, AmTr-ko sc, FFEmerIst, AtlAmBc, PalorInd, TronuneB n, AmerOilGas, AmTr-Ind prm, InstruSys pf, NAVacne, TennesNatl, Unittl, AmTr-bmy prm, AmTr-wts prm, LHHdAd, PGE 25wtT, Temco wt

NEW LOWS 6

Colprop, Sifco, LazoreKap, Telesphere, RBW Co, Radiow rt

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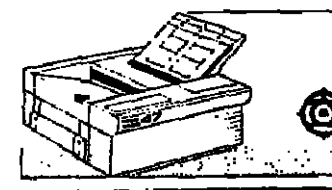
Herald Tribune.
INTERNATIONAL

BUSINESS / FINANCE

** WEDNESDAY, AUGUST 7, 1991



Innovative Results From HITACHI

MEDIA MARKETS

Networks Ask Advertisers To Stand Up to Pressure

By Stuart Elliott
New York Times Service

NEW YORK — For the first time, the three leading American television networks are taking a stand against pressure groups that try to scare advertisers into withdrawing commercials from controversial programming.

In a letter being sent out this week, the Network Television Association, a trade group, urges marketers and their advertising agencies "not to be intimidated" by such groups, which it calls representative of "vocal minorities with agendas inconsistent with the views of most Americans."

"Freedom of expression is an inalienable right of all Americans," the letter states, "vigorously supported by ABC, CBS and NBC" — the network members of the association that was formed in April 1990. The letter, a copy of which was made available by the association, refers to boycotts of advertisers whose commercials run during programs cited by these groups as "attempts to manipulate our free society and democratic process."

Advertisers have pulled support for episodes of 'Thirtysomething' and 'L.A. Law.'

The three-page letter, signed by Peter Chrisanthopoulos, president and chief executive of the association, will be sent to more than 7,000 executives at 600 consumer-product companies and 100 ad agencies across the country. It is the latest development in a vexing issue that periodically roils the television industry.

Since the late '70s, organized groups claiming to represent Christian, pro-family or anti-violence points of view have been fighting programming they deem objectionable. They write and call the networks, then they complain to the sponsors.

This summer, agencies have received postcards from supporters of the American Family Association, warning that consumers will boycott products advertised during programs they disdain. The letter does not identify any program or product.

RECENT WELL-PUBLICIZED INCIDENTS in which advertisers pulled out of series episodes with story lines perceived to be touchy include a 1989 telecast of the drama "Thirtysomething" showing two gay men in bed, a scene that was reported to have cost ABC $1.5 million in advertising revenue, and an episode this year in the NBC drama "L.A. Law" showing two women kissing briefly.

In the 1991-92 season, programs that could provoke such reaction include an episode of the NBC sitcom "Dear John," in which a character tells of his wife leaving him for another woman, and further episodes about one of the women on "L.A. Law."

Mr. Chrisanthopoulos said in a telephone interview from his offices in Manhattan that programming on the networks "reflects our society and culture."

Disagreeing with that view is Vicki Riley, president of Concerned Viewers for Quality Television, a group based in Wilmington, Delaware, that is co-sponsoring a "Turn Off TV Day" on Oct. 29, along with organizations like the American Family Association and the National Christian Association.

In two weeks of monitoring television this spring, Ms. Riley said she watched or heard "nudity between gay, lesbian and heterosexual couples, talk of anal and oral sex, profanity and a complete mockery, it seems, of traditional family values." Her turn-off day is "a way to get the American public to speak out to the networks," she said.

The opinions expressed in the network association's letter are "something the majority of advertisers believe in," said Bob Zach of Chiat/Day/Mojo, New York. "Unfortunately, when a letter from a pressure group winds up on a chairman's desk, it is easy for the advertising guys to feel the heat."

There is no special reason for sending the letter now, Mr. Chrisanthopoulos said, neither in terms of timing — the approach of the fall season and its related sale of commercial time — nor of economics.

Peugeot To Pull Out Of Market In the U.S.

International Herald Tribune

PARIS — Peugeot SA will stop manufacturing cars for the U.S. market in September, company officials said Tuesday, marking the latest failure of a top European automaker to win over American buyers of midrange automobiles.

A Peugeot spokesman said the withdrawal had been prompted by the failure of the company's 405 model sedan to gain a significant share of the U.S. market.

Last year Peugeot sold just 4,261 cars in the United States, about 70 percent of them 405s, compared with a total of 14,336 in 1986.

Through July, Peugeot sold 2,223 cars, compared with 2,701 in the first seven months of last year.

An offer of free credit earlier this summer apparently failed to have the hoped-for effect of increasing sales.

Peugeot, which turns out both the Peugeot and the Citroën, joins such other European car companies as Renault and Ford's German operation in admitting defeat in the highly competitive midsize segment of the American market.

Peugeot sales in the United States have been dwindling for five years.

The company — Europe's third in sales after Fiat and Volkswagen — had hoped the introduction of the sporty 405 a couple of years ago would give a lift to sales.

The company had planned later to introduce the big brother of the 405, the 605, but the spokesman said Tuesday that Peugeot had now decided not to go ahead.

Peugeot produced 1.4 million cars last year, and both the 405 and 605 have sold well in Europe.

The spokesman blamed the competition between American and Japanese automakers in the U.S. market for the failure of the 405.

"The American market is depressed and in conflict between U.S. and Japanese producers, and all the European automakers are caught in the vise," he said.

Stephen Reitman, automotive analyst at UBS-Phillips & Drew in London, said the 405's pricing had

See PEUGEOT, Page 11

No Relief in Sight on East German Jobs

By Richard E. Smith
International Herald Tribune

FRANKFURT — The economy of Eastern Germany is steadily showing more signs of life but economists warn that unemployment, potentially the area's most explosive social problem, may be the last to show improvement.

"Unemployment often continues to persist in spite of an industrial recovery and East Germany could have more than a million unemployed until well into 1993," said Wolfgang Scheremet, economist at the German Institute for Economic Research in Berlin.

The Federal Labor Office officially confirmed on Tuesday statistics that were widely reported on Monday showing that the unemployment rate soared to 12 percent in July from 9.5 percent in June.

Although analysts had feared an even sharper jump due to the expiration of one-year no-layoff agreements, the total number of unemployed nevertheless exceeded a million for the first time in Eastern Germany.

Many economists expect the rate to keep growing until next spring and then to begin showing improvement — but only gradually.

Various institutes see the figure rising to anywhere between 1.2 million and 1.7 million by the end of the year with a peak of around two million possible sometime next year.

This does not include the so-called short-time workers, well more than a million other individuals who do not work but draw a salary for a limited period.

The Rhineland-Westphalian Institute published a study this week estimating that Eastern Germany's crumbling industrial establishment, once employer of some 3.5 million people, will only have roughly 1.3 million viable jobs by the end of the year.

In the meantime, optimists point to slow but steady signs of early recovery in the construction and service industries, normally the harbingers of a broader recovery.

The German Construction Industry Association reported Tuesday that a hundred of its Eastern German member companies posted a 15 percent increase in orders from June to July, signaling a continuation of this spring's turnaround.

The German Industry and Trade Association, a major business lobby group, published a poll this week of East German firms showing a growing willingness to invest and hire. It said that optimism has become particularly strong among newly established small and medium-sized companies, the category that forms the backbone of industry in Western Germany.

The Rhineland-Westphalian Institute noted that the unemployment crisis will also be cushioned by a range of factors including various job-creation and training programs, a cut in the retirement age for some workers, the growing number of workers who commute to jobs in Western Germany and a tendency for women to leave the work force.

But analysts note that the root problem remains the low productivity of East German workers.

Recent wage settlements provide many workers with wages as high as 60 percent or more of their counterparts in Western Germany even though productivity in Eastern Germany is roughly a third of western levels.

Economists warn that overall job totals will have to be cut until productivity levels finally approach western levels.

Politicians in the ruling coalition emphasized progress made so far on the employment front. Rudolf Seiters, a key aide to Chancellor Helmut Kohl, said that the July unemployment figures were "considerably less than feared," and Economics Minister Jürgen Möllemann wrote recently that more than a million East Germans have changed to "better and more secure" jobs.

Rudolf Dressler, a social policy expert in the opposition Social Democratic Party, said Tuesday that the figures show no trend toward improvement.

■ Construction Orders Rise

The German Construction Industry Association said Tuesday that construction industry orders rose 2.4 percent in May from April, but incoming orders for the first five months of 1991 were 0.8 percent lower that a year ago because of weakness in the first quarter, Reuters reported from Frankfurt.

It said commercial building was still the driving force for the industry in May.

Chairman Of FDIC To Leave

Seidman Presided In Troubled Time

By Stephen Labaton
New York Times Service

WASHINGTON — More than a year after the White House tried very publicly to remove him from office, L. William Seidman, the nation's senior bank regulator, announced Tuesday his resignation.

In a letter to President George Bush, Mr. Seidman said he would step down at the end of his term in October as chairman of the Federal Deposit Insurance Corp. and the Resolution Trust Corp.

It is unclear who will succeed him, although with the growing problems in the banking industry and the enormous workload facing the head of the savings and loan bailout, a consensus has emerged in Congress and within the Bush administration to fill his job with two people.

Last summer Mr. Bush suggested William Taylor, the senior banking regulator at the Federal Reserve, to replace Mr. Seidman as head of the FDIC, which insures bank deposits, and the Resolution Trust Corporation, which is running the savings bailout.

Since then, Mr. Taylor has come under increasing criticism for the Fed's handling of the Bank of Commerce & Credit International. The White House and the Treasury Department declined Tuesday to comment on Mr. Seidman's successor.

[A White House official, who did not want to be identified, said Mr. Taylor remains the leading candidate to head the FDIC, Reuters reported.]

Treasury officials have begun a search to find a separate person to head the RTC and lead the government rescue of the savings and loan industry, which is expected to cost taxpayers $500 billion.

"I feel today as though somebody has removed a shot put from my gullet," he said in the characteristically blunt style that has become a hallmark of his term. "I'm now available for any kind of job that will pay a lot of money to do practically nothing."

Soichiro Honda: The Passing of a Master

By T. R. Reid
Washington Post Service

TOKYO — Shortly before his death Monday at the age of 84, the Japanese auto repairman turned auto magnate Soichiro Honda said that he had one regret about his spectacularly successful business career. He felt selfish that he had named his company after himself.

It was a typically self-effacing comment for the founder of Honda Motor Co., a business that began quite literally in a garage and has become a $30 billion enterprise, the world's top motorcycle maker and a global giant in the automobile business.

Mr. Honda was one of those who personified Japan's postwar economic miracle, the transformation of a shattered country with no resources other than its own drive and ingenuity into the second-richest nation on earth.

He was committed to research, and spent huge sums on experiments and engineering. This paid off dramatically in 1972 with Honda's stunning announcement that it had outflanked all the U.S. manufacturers by producing an engine that could meet the tough new U.S. emission regulations.

He was committed to high-quality production, as exemplified by Honda's ranking No. 1, year after year, in the U.S. Customer Satisfaction Index published by J.D. Power & Associates.

Unlike many of his competitors here, however, Mr. Honda was committed to doing things his own way.

Following his personal motto — "Never be afraid to make a mistake" — Honda's company was the first Japanese firm to build a winning bike on the world motorcycle racing circuit.

Honda's unusual streak of individualism led to a famous standoff between Honda Motor and Japan's Ministry of International Trade and Industry.

In 1963, when Mr. Honda wanted to expand from motorcycle production into cars, he ran into a ministry dictate that Japan needed not more, but fewer, automakers.

"In those days," Mr. Honda recalled later in a BBC interview, "the officials controlled virtually everything. But I thought I was free to make whatever I wanted, so I said to them, 'We're not at war now, you know! Why shouldn't I go ahead?'"

He went ahead. His ability to stand up to the ministry and succeed is constantly cited as Exhibit A by those who argue that Japan's economy is propelled more by market forces than by governmental decree.

Based on sales data for the first half of 1991, Honda Motor is now the first foreign company to become one of the "Big Three" U.S. automakers, having edged past Chrysler.

Honda has built up enormous customer loyalty in the United States, greater, perhaps, than in Japan, where it ranks a fairly weak fourth in sales behind Toyota, Nissan and Mitsubishi.

A lifetime tinkerer and engine buff, Mr. Honda worked as an auto mechanic in Tokyo in the 1920s. He built a racing car and eventually started a company making piston rings.

In 1949, he started bolting a small engine of his own design to bicycle frames, producing a basic motorcycle (the Honda Dream) and a small moped (the Honda Cub) that turned out to be incredibly popular.

After winning dominance in the Japanese market, Mr. Honda moved across the Pacific to try to sell motorcycles in the United States.

At a time when motorcycles were considered the sole province of the leather-jacket set, Mr. Honda pioneered the idea of selling simple, brightly colored bikes to ordinary folks.

To convey the message, the firm hired an up-and-coming group called The Beach Boys to record the famous advertising jingle, "You Meet The Nicest People on a Honda!" These ads popularized the American pronunciation of a brand name that is known here as "Hone-da."

CURRENCY RATES

Cross Rates Aug. 6

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.925	3.3035	1.1274	0.3314	0.1506 *	—	5.472 *	1.292	1.4185 *	1.682	1.80 *
Brussels	35.39	60.35	20.60	6.0545	2.7525 *	18.273	—	23.62	0.2583	30.66	32.90 *
Frankfurt	1.709	2.933	—	0.2939	0.1336 *	0.8871	4.854 *	1.1462	1.2546 *	1.489	1.597 *
London (a)	1.7135	—	2.9298	9.9877	2,192.50	3.3038	60.37	2.5567	232.38	1.9669	183.40
Madrid	107.193	183.675	62.631	18.405	8.344 *	55.555	3.0401	71.773	78.581 *	93.341	—
Milan	1,280.90	2,195.55	748.65	220.83	—	664.22	36.344	858.85	9.384	1,116.40	11.951
New York (b)	—	1.71 a	1.7135	5.836	1,279.50	1.9273	35.185	1.492	135.65	1.1487	106.80
Paris	5.819	9.978	3.4027	—	0.4544 *	3.0185	0.1652	3.8999	4.288 *	5.069	5.432 *
Tokyo	136.80	234.28	79.85	23.42	0.1065	70.44	3.8666	91.51	—	119.09	1.2728
Toronto	1.1483	1.9701	0.6725	0.1976	0.897 *	0.5963	3.257 *	0.77	0.8407 *	—	1.073 *
Zurich	1.4955	2.5574	0.8736	0.2564	0.1166 *	0.7743	4.2482 *	—	1.098 *	1.3019	1.3947 *
1 ECU	1.1987	0.6992	2.0505	6.9776	1,535.50	2.3117	42.2443	1.7893	163.596	1.3759	128.426
1 SDR	1.3471	0.785	2.2022	7.8087	1,725.38	2.5972	47.4374	2.0092	184.254	1.5281	144.398

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9922.6	Greek drac.	188.45	Mex. peso	3038.01	S. Afr. rand	2.8415
Austral. $	1.2796	Hong Kong $	7.762	N. Zealand $	1.7406	Soviet ruble*	0.5959
Austr. schil.	12.03	Indian rupee	25.974	Norw. krone	6.685	Swed. krona	6.212
Brazil cruz.	355.30	Indo. rupiah	1955.03	Phil. peso	27.24	Taiwan $	26.73
Chinese yuan*	5.3471	Irish £	0.6437	Port. escudo	148.65	Thai baht	25.69
Danish krone	6.625	Israeli shek.	2.3157	Saudi riyal	3.75	Turkish lira	4404.01
Egypt. pound	3.2977	Kuwaiti dinar	0.2916	Sing. $	1.7233	UAE dirham	3.672
Fin. markka	4.12	Malay. ring.	2.7715	S. Kor. won	727.60	Venez. boliv.	59.47

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7058	1.6998	1.6921	Canadian dollar	1.1515	1.1539	1.1566
Deutsche mark	1.7149	1.7198	1.7250	Japanese yen	136.51	136.68	136.84
Swiss franc	1.4943	1.4967	1.4993				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits Aug. 6

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5⅜-5½	9-9⅛	7¾-7⅞	10 15/16-11	9¼-9 3/8	7 1/4-7½	9⅝-9¾	7 ¼
2 months	5½-5⅝	9⅛-9¼	7 13/16-7 15/16	10 15/16-11	9⅜-9½	7½-7⅝	9⅝-9¾	7 ¼
3 months	5½-5⅝	9¼-9⅜	7 13/16-7 15/16	10¾-10 7/8	9 7/16-9⅝	7 1/4-7½	9 13/16-9 15/16	7 ⅜
6 months	6-6⅛	9 ¼-9 ⅜	7⅞-8	10 11/16-10 13/16	9½-9 ⅝	7 ¼-7⅜	9 15/16-10 1/16	7⅜
1 year	6⅛-6¼	9½-9⅝	7¾-7⅞	10⅝-10¾	9⅝-9 ¾	6⅞-7 ⅛	10-10⅛	7⅜

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates Aug. 6

	Close	Prev.
United States		
Discount rate	5½	5½
Prime rate	8½	8½
Federal funds	5½	5⅝
Com. paper 90-179 days	5.80	5.80
3-month Treasury bills	5.41	5.49
6-month Treasury bills	5.46	5.56
1-year Treasury bills	5.54	5.67
30-year Treasury bond	8.18	8.23
2-month CD's	5½	5½
3-month CD's	5½	5½
Japan		
Discount rate	5½	5½
Call money	7 7/16	7 7/16
2-month interbank	N.A.	7 11/32
3-month interbank	7 9/32	N.Q.
Germany		
Discount rate	6½	6½
Lombard rate	9.00	9.00
Call money	9.05	9.00
1-month interbank	9.00	9.00
3-month interbank	9¼	9¼
6-month interbank	9½	9½
Britain		
Bank base rate	11.00	11.00
Call money	11.00	11¼
3-month interbank	10 31/32	11.00
6-month interbank	10 13/16	10 13/16
France		
Intervention rate	9.00	9.00
Call money	9¼	9¼
1-month interbank	9 5/16	9⅜
3-month interbank	9½	9½
6-month interbank	9⅝	9⅝

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Asian Dollar Deposits Aug. 6

1 month	5 5/16 - 5 7/16
2 months	5 ⅜ - 5 ½
3 months	5 7/16 - 5 9/16
6 months	6 - 6⅛
1 year	6⅛ - 6¼

Source: Reuters.

U.S. Money Market Funds Aug. 6

Merrill Lynch Ready Assets
30-day average yield: 5.46
Telerate Interest Rate Index: 5.674
Source: Merrill Lynch, Telerate.

GOLD

Aug. 6

	A.M.	P.M.	Ch'ge
Hong Kong	356.95	357.35	+ 0.50
Luxembourg	357.25	—	+ 0.40
Paris (12.5 kilo)	357.06	358.12	+ 2.23
Zurich	357.25	357.55	+ 2.60
London	357.20	357.00	+ 0.50
New York	—	357.35	+ 0.60

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

3 Brothers Are Key To the BCCI Affair

Karachi's Gokals Piled Up Big Debts

By Philip Shenon
New York Times Service

KARACHI, Pakistan — At the heart of the scandals surrounding the Bank of Credit & Commerce International are three Pakistani brothers, the Gokals, whose tangled finances, soured loans and political connections here are subjecting their powerful but publicity-shy family to unwanted attention from investigators from around the world.

The Gokal brothers, through a collection of shipping companies known as the Gulf Group, were the bank's largest customer and its principal bad debtor, according to auditors who reviewed BCCI's records for the Bank of England.

Investigators say the Gokals may owe BCCI more than $700 million and that loans to the brothers and their companies were made through false documents and surreptitious money transfers involving nearly 750 BCCI accounts.

False documents and sour loans dominated the books of BCCI, regulators and auditors say. But the story of the Gokals provides one answer to the question many regulators have asked: Where did all the money go? BCCI is insolvent by at least $5 billion, auditors say, a staggering amount for a bank that had reported assets of $20 billion.

The Europe-based shipping empire created by the three brothers — Abbas, Murtaza and Mustafa, who left Pakistan together nearly 30 years ago — is now said to be on the verge of collapse.

Shipping industry publications in Europe have reported that a Luxembourg-based holding company for the Gokals, Gulf International Holdings, filed in Luxembourg for protection from its creditors in early July, just as bank regulators in seven nations seized BCCI's operations and accused it of widespread fraud.

Pakistani businessmen acquainted with the Gokals suggest that much of the explanation for the collapse of BCCI may lie in a secretive financial alliance between the brothers and the bank's Pakistani founder, Agha Hassan Abedi.

The partnership extends back to at least 1976, when one of the Gokals tried — and failed — to buy a small New York City bank, with the backing of Mr. Abedi's bank.

The extended Gokal family, which numbers in the hundreds, remains something of a financial dynasty in Karachi.

The Gokals have refused to comment on their connections to the bank or on the condition of their shipping business.

The saga of the Gokal brothers begins in the early 1960s, when the young Pakistanis, seeing the limitations of Pakistan's economy, joined with an uncle to set up a trading company in Iraq. Family members interviewed in Pakistan said the company was successful, but the brothers were forced to leave Iraq after the 1968 revolution that brought the Ba'ath Party to power.

The brothers fled to Europe, where they began a shipping business that transported dry cargos, including grain and cement, from the subcontinent of Asia to Europe and the Middle East.

With the help of BCCI loans, the business grew into a shipping empire, with more than 150 vessels in its fleet by the mid-1970s.

It was in 1976 that Abbas Gokal traveled to New York and failed to win permission from banking authorities in New York state to purchase a small bank, Chelsea National, with the assistance of BCCI.

In a telephone interview on Monday from New York, John G. Heimann, who had been the state's banking superintendent, said he recalled an "awfully strange" meeting with Mr. Gokal. He said he turned down the application because of Mr. Gokal's lack of banking experience.

Pakistani businessmen said that some of the rapid growth at BCCI and at the Gokals' shipping enterprises could be explained through their mutual ties to the government of Pakistan — specifically, to the late leader, General Mohammed Zia ul-Haq.

"If you look closely you could find that Zia helped the Gokals, the Gokals helped Abedi and the bank, and Abedi and the bank helped Zia's government," said a shipping executive in Karachi.

In the early 1980s, Mustafa Gokal was appointed by Zia as his chief shipping adviser. According to news reports in Pakistan, it was Mr. Abedi who introduced Mustafa Gokal to Zia.

According to a parliamentary investigation later, Zia intervened in 1981 and 1982 to provide a shipping company owned by Mr. Gokal with a $75 million government contract to transport Australian wheat, even though there had been a far lower bid on the job.

■ García's Denial

The former president of Peru, Alan García Pérez, on Monday night denied involvement in the BCCI scandal, saying he was aware that up to $270 million of Peru's reserves had been deposited in the bank but that he had nothing to do with placing them there, Reuters reported from Lima.

This announcement appears as a matter of record only

BEI EIB

EUROPEAN INVESTMENT BANK

PTE 20 000 000 000

EIB / 91 - II ESCUDOS BOND ISSUE

Due: 24 July 1996
Fixed Rate: 13%
Issue Price: 101 3/4 %

BPI - Banco Português de Investimento, SA
Deutsche Bank de Investimento, SA
Caixa Geral de Depósitos
Banco Português do Atlântico, SA
Banco Bilbao-Vizcaya (Portugal), SA
Banco Espírito Santo e Com. de Lisboa, SA
Banco de Fomento e Exterior, SA
Banco Totta & Açores, SA
Banco Nacional Ultramarino, SA
Crédit Lyonnais (Portugal), SA
EFISA - Engenharia Financeira, SA
ESSI - Sociedade de Investimentos, SA
Finantia - Sociedade de Investimentos, SA
Hispano Americano - Soc. de Investimentos, SA

ABN AMRO
Banca Commerciale Italiana
Bankers Trust International, Limited
Bayerische Vereinsbank, Aktiengesellschaft
Corretora Atlântico
Crédit Lyonnais
DG Bank
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Barclays de Zoete Wedd, Limited
Commerzbank, Aktiengesellschaft
Crédit Commerciale de France
Credito Italiano International, Limited
Daiwa Europe, Limited
Dresdner Bank, Aktiengesellschaft
Goldman Sachs International, Limited
Istituto Bancario San Paolo di Torino
Manufacturers Hanover, Ltd
Morgan Stanley International
Nomura International
Sumitomo Finance International
Swiss Cantobank
Westdeutsche Landesbank

July 1991

MARKET DIARY

Interest Rate Hopes Drive Market Up

United Press International

NEW YORK — Stocks rallied sharply Tuesday in active trading, fueled by a sign from the Federal Reserve that it was apparently easing monetary policy and an enthusiastic reception for the Treasury's three-year note auction.

The Dow Jones industrial average, which lost 17.22 points on Monday, surged 38.24 to 3,027.28, just a few points shy of its record of 3,035.33 set June 3.

Broad market gauges set new highs. The New York Stock Exchange composite index jumped 2.72 to 213.71 and the Standard & Poor's 500-stock index rallied 5.56 to 390.62. The price of an average NYSE share soared 45 cents.

Advances led declines by almost 2-to-1. Volume amounted to 174.3 million shares, up from 128 million on Monday.

As stocks drifted before midday, the Fed indicated that it was loosening the reins on credit policy. The move was seen as a signal that the Fed has lowered the target for the Federal funds rate to 5.5 percent from 5.75 percent.

"That's what touched it off today," said Hugh Johnson, chief economist at First Albany Corp. "It suggests that bank lending will start to recover, that we'll see stronger money growth."

Mr. Johnson said this represented a dramatic change from a week ago, when there was deep-seated nervousness about the recovery, the economy and earnings.

On the trading floor, Philip Morris was the most active issue, surging 2⅝ to 71⅜.

RJR Nabisco followed, up ⅜ to 11½. Pepsico was third, gaining ⅞ to 32¼.

Among other blue chips, McDonald's rose ½ to 32, Exxon added 1⅜ to 59¾, General Electric rose ⅝ to 72¾, AT&T climbed ⅜ to 39⅞ and IBM picked up ⅞ to 100½.

N.Y. Stocks

DOLLAR: *Further Fall Predicted*

(Continued from Page 1)

the differential was only 2⅛ percentage points.

If, as feared, U.S. rates are reduced to spur a faltering economic recovery and if German rates are hiked to curb inflation now running at 4½ percent, the differential could widen beyond the current 3½ percentage points.

As was shown in February, unfavorable interest rates are not necessarily a reason to avoid the dollar — especially when traders expect the value of the currency to rise. But a widening of the differential at a time when there are doubts about the dollar's ability to hold its value can be damaging.

While Bundesbank officials have given no signal on whether they intend to also raise the Lombard rate, Herbert Peters, manager of the foreign exchange department at Commerzbank in Frankfurt said he expected the Lombard rate to be increased by half a point, if not on Aug. 15 then at the central bank's next meeting on Aug. 29.

But David Brown, London-based economist for Swiss Bank Corp., said he doubted the Lombard rate would be increased.

"The domestic outlook is weakening and we expect a substantial slowdown in growth starting in the second half of this year and continuing into next year," he said. A rate increase now, he added "would strangle the German economy and trigger political turmoil with Germany's EC partners."

Both Britain and France are in recession and are looking for ways to lower interest rates.

In London on Tuesday, the dollar closed at 1.7105 DM, down from Monday's 1.7215 DM close, and at 135.60 yen, down from 136.80.

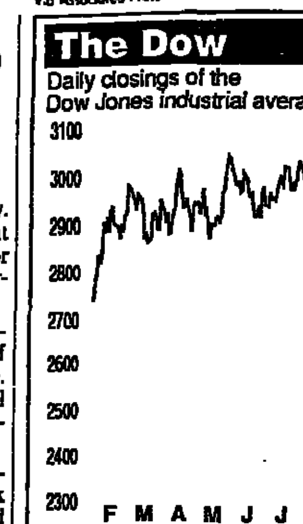
The dollar also closed at 1.4920 Swiss francs and 5.8255 French francs, down from Monday's 1.5007 and 5.8655. The British pound closed at $1.7135, up from $1.7075.

Foreign Exchange

Via Associated Press Aug. 6

The Dow

Daily closings of the Dow Jones industrial average



IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
PhilMr	36496	71¾	68⅝	71½	+2⅝
RJR Nb n	20312	11⅝	11⅛	11½	+⅜
PepsiC	18411	32¼	31⅛	32¼	+⅞
TimeW	18220	88½	85⅛	88⅛	+3⅛
OcciPet	17320	25¼	24½	25⅛	+⅜
TelMex n	16947	31⅜	30⅝	30⅞	—½
Exxon	15919	59⅞	58⅛	59¾	+1⅜
McDonl	15053	32½	31⅝	32	+½
Comdre	14708	12⅝	11½	11¾	—1½
GenEl	14611	73	71½	72¾	+⅝
AT&T	13888	39⅞	39½	39⅞	+⅜
IBM	13804	100⅞	99⅝	100½	+⅞
BlockE s	13215	10⅝	10	10½	+⅜
GTE	12840	30⅛	29½	30⅛	+⅜
WalMt	12768	48½	46⅞	48⅜	+1

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
ForstL s	10442	42⅛	39½	40⅛	—2⅜
Alza	3377	64⅝	63⅜	64½	+⅜
Hilhav	3367	3⅛	3	3⅛	
DowC rt	3293	7⅞	7⅝	7¾	
GrhmFl	2522	9⅛	8⅞	8⅞	+⅛
BolrPh	2366	5⅝	5⅜	5⅝	+⅜
BAT In	2088	12⅞	12⅛	12½	—⅛
InstSy	2041	4⅛	3⅞	4	
GiantFd	2032	26⅝	26¼	26½	—¼
FruitL	1996	17⅝	17⅛	17¼	—½
TubMex	1828	10⅝	10¼	10½	—⅛
A-mo sc	1761	44⅝	41½	44⅝	+2⅝
ENSCO	1663	2⅞	2½	2⅝	
AExpl	1633	3⅛	2⅞	3	—⅛
CornCr	1621	22	21⅛	21⅜	—¼

NYSE Diary

	Close	Prev.
Advanced	1087	596
Declined	502	957
Unchanged	522	534
Total Issues	2113	2087
New Highs	121	79
New Lows	9	9

Amex Diary

	Close	Prev.
Advanced	294	231
Declined	253	294
Unchanged	250	253
Total Issues	797	778
New Highs	23	22
New Lows	6	7

Previous NASDAQ Diary

	Close	Prev.
Advanced	1,004	812
Declined	893	1,013
Unchanged	2,234	2,301
Total Issues	4,131	4,126

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2987.48	3034.88	2970.48	3027.28	+ 38.24
Trans	1214.92	1231.66	1207.51	1227.08	+ 9.34
Util	202.24	204.18	201.30	203.81	+ 1.38
Comp	1066.95	1082.33	1060.93	1079.33	+ 11.17

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	465.89	457.96	465.60	+6.75
Transp.	300.50	296.54	300.34	+2.79
Utilities	141.13	139.07	141.33	+1.84
Finance	30.98	30.43	30.97	+0.44
SP 500	390.80	384.29	390.62	+5.56
SP 100	372.41	365.88	372.16	+5.15

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	213.71	210.71	213.71	+2.72
Industrials	269.27	265.34	269.27	+3.59
Transp.	180.94	178.98	180.94	+1.82
Utilities	92.28	91.18	92.28	+1.00
Finance	156.02	154.05	156.02	+1.78

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	505.47	501.40	505.20	+2.59
Industrials	562.59	557.61	562.29	+3.30
Finance	505.94	502.05	505.60	+2.38
Insurance	545.66	542.64	545.32	+1.32
Utilities	571.00	566.47	571.30	+1.41
Banks	333.59	329.16	333.50	+3.83
Transp.	523.60	518.74	522.14	—0.49

AMEX Stock Index

High	Low	Close	Ch'ge
366.91	365.64	366.88	+0.17

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	95.14	+0.26
10 Utilities	96.18	+0.14
10 Industrials	94.11	+0.38

Market Sales

NYSE 4 p.m. volume	174,610,000
NYSE prev. cons. close	158,822,610
Amex 4 p.m. volume	11,999,320
Amex prev. cons. close	11,497,700
NASDAQ 4 p.m. volume	149,715,600
NASDAQ prev. 4 p.m. volume	117,088,200
NYSE volume up	129,326,420
NYSE volume down	27,738,550
Amex volume up	5,513,260
Amex volume down	4,367,750
NASDAQ volume up	73,400,200
NASDAQ volume down	43,375,400

For investment information read THE MONEY REPORT every Saturday in the IHT

EUROPEAN FUTURES

Food

SUGAR (FOX)
U.S. Dollars per metric ton-lots of 50 tons

	Close		High	Low	Prev. Close	
Oct	214.60	214.80	217.00	211.20	216.60	217.80
Dec	195.40	205.00	205.00	200.00	197.00	212.80
Mar	196.40	197.00	198.00	194.20	198.00	199.20
May	197.40	202.00	200.00	198.60	199.00	201.20
Aug	198.00	200.00	200.00	197.60	197.00	200.00
Oct	200.40	201.00	200.60	199.60	196.00	200.00
Dec	196.40	201.00	N.T.	N.T.	188.00	200.00

Est. Sales 659.

COCOA (FOX)
Sterling per metric ton-lots of 10 tons

Sep	664	665	667	660	667	669
Dec	701	702	704	694	701	703
Mar	731	732	734	726	732	733
May	746	748	750	743	746	749
Jul	765	766	765	761	765	766
Sep	781	784	784	779	783	784
Dec	806	809	808	805	809	810
Mar	834	835	834	830	832	833
May	850	851	850	846	848	850
Jul	864	866	863	860	858	867

Est. Sales 7,194.

COFFEE (FOX)
Sterling per metric ton-lots of 5 tons

Sep	531	532	536	530	534	535
Nov	552	554	557	551	555	556
Jan	573	576	576	573	576	577
Mar	586	588	592	586	591	592

Est. Sales 1,254.

WHITE SUGAR (Matif)
Dollars per metric ton-lots of 50 tons

	High	Low	Close		Ch'ge
Oct	293.00	292.00	291.50	292.00	+ 0.50
Dec	281.50	280.50	279.00	280.00	— 1.00
Mar	280.00	278.00	277.00	279.00	Unch.
May	N.T.	N.T.	276.50	278.50	— 0.50
Aug	N.T.	N.T.	276.00	278.00	Unch.
Oct	N.T.	N.T.	259.00	261.00	— 0.50

Est. sales 812. Prev. sales 182.
Open interest 11,761.

Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1259.00	1260.00	1256.00	1257.00
Forward	1271.00	1292.00	1288.00	1289.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1302.00	1304.00	1309.00	1310.00
Forward	1323.00	1324.00	1327.00	1327.50
LEAD Sterling per metric ton				
Spot	317.00	319.00	321.00	323.00
Forward	329.50	330.00	333.00	333.50
NICKEL Dollars per metric ton				
Spot	8150.00	8170.00	8170.00	8180.00
Forward	8130.00	8135.00	8145.00	8155.00
TIN Dollars per metric ton				
Spot	5665.00	5675.00	5660.00	5665.00
Forward	5760.00	5765.00	5768.00	5770.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1061.00	1062.00	1059.00	1060.00
Forward	1076.00	1076.50	1073.00	1074.00

Financial

3-MONTH STERLING (LIFFE)
£500,000 - pts of 100 pct

	High	Low	Close	Change
Sep	89.32	89.22	89.23	—0.05
Dec	89.81	89.72	89.73	—0.05
Mar	90.02	89.96	89.98	—0.02
Jun	89.86	89.84	89.86	+0.01
Sep	89.69	89.65	89.67	+0.01
Dec	89.58	89.55	89.57	+0.01
Mar	89.43	89.42	89.43	Unch.
Jun	N.T.	N.T.	89.42	Unch.
Sep	N.T.	N.T.	89.41	Unch.
Dec	N.T.	N.T.	89.39	—0.01

Est. volume: 24,156. Open interest: 137,362.

3-MONTH EURODOLLARS (LIFFE)
$1 million - pts of 100 pct

	High	Low	Close	Change
Sep	94.03	94.00	94.02	—0.02
Dec	93.67	93.64	93.67	Unch.
Mar	93.60	93.58	93.60	—0.01
Jun	93.19	93.17	93.20	Unch.
Sep	N.T.	N.T.	92.71	+0.02
Dec	N.T.	N.T.	92.18	+0.02
Mar	92.13	92.13	92.15	+0.02
Jun	N.T.	N.T.	91.95	+0.02

Est. volume: 2,388. Open interest: 30,021.

3-MONTH EUROMARKS (LIFFE)
DM1 million - pts of 100 pct

	High	Low	Close	Change
Sep	90.71	90.62	90.66	+0.03
Dec	90.72	90.63	90.68	+0.04
Mar	90.90	90.83	90.86	+0.03
Jun	90.96	90.94	90.96	+0.01
Sep	91.14	91.10	91.10	—0.01
Dec	91.25	91.21	91.24	+0.01
Mar	91.35	91.34	91.34	+0.01
Jun	91.37	91.37	91.36	+0.01

Est. volume: 21,084. Open interest: 121,527.

LONG GILT (LIFFE)
£50,000 - pts & 32nds of 100 pct

	High	Low	Close	Change
Sep	93-18	93-04	93-09	—0-03
Dec	93-21	93-10	93-14	—0-02

Est. volume: 24,158. Open interest: 47,244.

GERMAN GOVERNMENT BUND (LIFFE)
DM 250,000 - pts of 100 pct

	High	Low	Close	Change
Sep	84.50	84.19	84.30	+0.10
Dec	84.58	84.36	84.40	+0.09
Mar	N.T.	N.T.	84.58	+0.09

Est. volume. 41,313. Open interest: 89,431.

Industrials

GASOIL (IPE)
U.S. dollars per metric ton-lots of 100 tons

	High	Low	Last	Settle	Ch'ge
Aug	185.00	182.50	183.00	183.00	—2.50
Sep	187.00	185.00	185.25	185.50	—1.75
Oct	189.00	187.00	187.25	187.25	—2.25
Nov	189.75	189.00	189.75	189.75	—1.75
Dec	190.50	189.50	190.50	190.25	—0.50
Jan	188.25	187.50	187.50	187.50	—1.00
Feb	182.50	182.50	182.50	183.00	—0.50
Mar	176.50	176.50	176.50	177.00	—0.50
Apr	173.50	173.50	173.50	174.00	—0.50

Est. Sales 9,000. Prev. sales 7,321.
Open interest 86,445

BRENT CRUDE OIL (IPE)
U.S. dollars per barrel-lots of 1,000 barrels

	High	Low	Last	Settle	Ch'ge
Sep	19.60	19.39	19.43	19.43	—0.10
Oct	19.67	19.48	19.52	19.52	—0.10
Nov	19.72	19.53	19.61	19.61	—0.09
Dec	19.65	19.55	19.59	19.59	—0.10
Jan	19.40	19.40	19.40	19.40	—0.15
Feb	N.T.	N.T.	N.T.	19.35	—0.10
Mar	19.42	19.42	19.42	19.45	+0.10
Apr	N.T.	N.T.	N.T.	19.35	Unch.
May	N.T.	N.T.	N.T.	19.35	Unch.

Est. Sales 16,000. Prev. sales 9,540.
Open interest 63,828

Stock Indexes

FTSE 100 (LIFFE)
£25 per index point

	High	Low	Close	Change
Sep	2620.0	2603.0	2606.0	—17.0
Dec	2651.0	2647.5	2649.5	—17.0
Mar	N.T.	N.T.	2689.0	—18.0

Est. volume: 3,798. Open interest: 38,386.

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.572	0.57
Coffee, lb	0.68	0.68
Copper electrolytic, lb	1.123	1.123
Iron FOB, ton	213.00	213.00
Lead, lb	0.36	0.36
Silver, troy oz	3.95	3.925
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	0.99	0.99
Tin, lb	3.6698	3.6635
Zinc, lb	0.5375	0.5375

Dividends

Company	Per	Amt	Pay	Rec
INITIAL				
MerryGoRnd Ent	Q	.0133	8-30	8-16
REVERSE STOCK SPLIT				
NFC PLC ADR 1-for-5				
USUAL				
BankAmerica Corp	Q	.30	9-16	8-21
Black Hills Corp	Q	.44	9-1	8-16
Centex Corp	Q	.10	10-4	9-13
General Housewares	Q	.08	9-27	9-13
Lockheed Corp	Q	.50	9-3	8-20
MC Shipping Inc	-	.25	8-30	8-15
Piccadilly Cafe	Q	.12	10-7	9-13
Protective Life	Q	.21	9-1	8-16
Trico Products	Q	.25	9-30	9-13
Sport Supply Grp	-	.03	8-28	8-21

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Aug. 5	478,008	669,694	22,978
Aug. 2	513,606	678,397	37,052
Aug. 1	509,576	837,151	146,742
July 31	569,998	707,990	20,064
July 30	621,837	715,033	41,002

*Included in the sales figures.

U.S./AT THE CLOSE

U.S. Productivity Up in 2d Quarter

WASHINGTON (AP) — The productivity of American workers shot up at an annual rate of 1.9 percent in the spring, the biggest quarterly advance in almost three years, the government reported Tuesday.

The Commerce Department said the advance from April to June followed dismal showings in the two previous quarters when the country was mired in recession. Analysts said the improvement was an indication of a rebounding economy.

Corning Enters Housewares Venture

CORNING, New York (AP) — Corning Inc. said Tuesday it would join with Mexico's largest glass manufacturer to create a $800 million-a-year worldwide housewares business. The joint venture with Vitro SA will create two companies: a U.S. subsidiary to be called Corning Vitro Corp. and a Mexican subsidiary to be called Vitro Corning SA de CV.

Corning will manage and own 51 percent of the U.S company and Vitro will manage and own 51 percent of the Mexican company. The total transaction is valued at close to $300 million, the companies said.

Time Warner Rises After Offering

NEW YORK (Reuters) — Shares of Time Warner Inc. moved higher Tuesday in heavy trading following completion of a share rights offering, traders said. The company said the offering raised $2.76 billion.

Time Warner shares rose $3.12½ to $88.12½ Tuesday following the expiration Monday of the rights offering. Time Warner said about 33.0 million rights, or 98.3 percent, were exercised by shareholders under the plan, buying shares of the newly issued stock for $80.

Motorola Has Lighter Cellular Phone

CHICAGO (AFP) — Motorola Inc. Tuesday began marketing a new cellular phone that it says is the lightest in the world.

The new phone is called MicroTac Lite and weighs less than a half pound (0.22 kilograms). Motorola introduced the first pocket cellular phone in 1989 but Japan's Fujitsu Ltd. then came out with an even more compact unit called the Pocket Commander.

Boeing Looks to Super-Jumbo Jet

SEATTLE (Reuters) — Boeing Co., moving closer toward a project that would build the world's biggest commercial airliner, has named a vice president to lead the effort.

The Seattle-based plane maker picked John Hayhurst, a Boeing marketing executive, to the newly created post of vice president for large airplane development, a further step in its efforts to evaluate an aircraft that would carry 600 or more passengers. Boeing has already approached airlines about their interest in a super-jumbo aircraft.

Burlington Northern Sets Soviet Plan

FORT WORTH, Texas (Reuters) — Burlington Northern Railroad, a unit of Burlington Northern Inc., said Tuesday it has begun two ventures intended to boost food production in the Soviet Union's Far East region and improve the transportation and delivery system for American grain imported by that region.

One of the projects, to accelerate development of food products, would involve creation of a company that would have shareholders. Burlington Northern said the second venture involves the development of Pacific Ocean ports and the railroad infrastructure in the Soviet Far East.

For the Record

Toshiba Corp. has developed a large-capacity computer disk drive and opened a factory in San Jose, California, to produce the devices. *(LAT)*

Chrysler Corp. wants to reduce its 64 percent stake in a joint transmission-making venture with General Motors Corp., said David Zimmer, president and chief executive officer of New Venture Gear Inc. *(AP)*

The New York Times *has announced that Russell T. Lewis and John M. O'Brien, senior vice presidents, have been appointed deputy general managers of the newspaper.* *(NYT)*

RATES: *The Fed Cuts the Cost of Money Again, by Just a Quarter Point*

(Continued from Page 1)

banks' wholesale cost of money and their prime rates might lead to a reduction of the prime from current levels of about 8.75 percent. But this probably would demand more prodding from the Fed in the form of a cut in the discount rate, and this seemed unlikely.

"This was the Fed's swan song, and another grudging move," said Joseph Plocek of MCM Moneywatch, a Wall Street consulting firm. Others felt it was justified on the grounds of a weak economy, weak money growth and weak inflation.

But on Wall Street the suspicion revived that the Fed was responding to political pressure. The central bank is seen as the only agency with room to maneuver at a time when the federal government is immobilized by its huge deficit and state and local governments by legal limits on borrowing that are forcing them to fire workers and cut services as tax collections are pushed down by recession.

"They feel they have to do something, and can't sit idly by," said William Sullivan, chief of bond research for Dean Witter Reynolds, explaining that whatever its worries about inflation, the Fed now is a prisoner of its money targets. Having told Congress in its annual report that money growth of 4.5 percent is consistent with expansion of employment, the central bank can hardly sit on its hands when money is growing at about a 2 percent rate — as it now is — and employment contracts rather than expands.

Furthermore, economists find the official explanations for decline in the money growth "ring hollow" because money is leaving savings accounts and not showing up elsewhere, David Wyss of DRI/McGraw Hill said.

Thus the Fed's decision to print more money to float the economy off the rocks may not work if businesses do not want it.

U.S. FUTURES

Via Associated Press Aug. 6

Grains

WHEAT (CBT)
5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
3.26	2.58½	Sep	2.85	2.93	2.84	2.93	+.02¾
3.25	2.72½	Dec	2.99¾	3.07	2.97½	3.06½	+.02¼
3.70¾	2.79	Mar	3.04	3.12½	3.04	3.11½	+.01½
3.31	2.80½	May	3.02½	3.08½	3.02	3.08½	+.01
3.11	2.79½	Jul	2.93½	2.98¾	2.93	2.99	—.00¾
3.11	3.11	Sep	3.04	3.04	3.04	3.05½	+.00½

Est. Sales Prev. Sales 10,163
Prev. Day Open Int. 53,826 off 762

WHEAT (KCBT)
5,000 bu minimum- dollars per bushel

	Open	High	Low	Close	Chg.
Sep	2.85	2.93½	2.85	2.93	+ .02¾
Dec	2.94½	3.03	2.94½	3.02¾	+ .03¼
Mar	3.01	3.09	2.99¾	3.08¾	+ .04¼
May	2.93½	2.98½	2.93½	2.98½	—
Jul	2.90	2.94	2.90	2.93	— .03

Est.Sales Prv.Sales 5,369 Prev.Day Open Int 41,169 Chg. —474

CORN (CBT)
5,000 bu minimum-dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
2.87½	2.18½	Sep	2.48	2.53	2.44	2.52½	+.00¼
2.75	2.20	Dec	2.51½	2.58	2.49	2.57¼	—.01¼
2.77¼	2.28½	Mar	2.57½	2.64½	2.56	2.64¼	—.00¾
2.79½	2.34¾	May	2.60½	2.66¾	2.60	2.66¾	—.01½
2.82	2.39½	Jul	2.62½	2.69	2.62	2.69	—.01¼
2.65	2.36½	Sep	2.53	2.55	2.53	2.55	—.01¼
2.59¾	2.36½	Dec	2.49	2.50	2.47½	2.49¾	—.01¾

Est. Sales Prev. Sales 45,899
Prev. Day Open Int. 231,798 off 4,094

SOYBEANS (CBT)
5,000 bu minimum-dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
6.95	.00⅛	Aug	5.59	5.77½	5.59	5.69½	—.22
6.54	5.13½	Sep	5.71	5.82½	5.67¼	5.74¼	—.38
6.74	5.17	Nov	5.90	5.92¼	5.74	5.83½	—.34
6.59	5.27½	Jan	5.92½	6.03	5.85	5.95	—.32½
6.66	5.38	Mar	6.05	6.11	5.95	6.03	—.30½
6.68	5.47	May	6.08	6.16½	6.02	6.11	—.27
6.48	5.87	Jul	6.08	6.16	6.04	6.13	—.23
6.60	6.14	Aug				6.08	—.22
6.28	5.57	Sep	5.84	5.90	5.82	5.82	—.13
6.20¾	5.52	Nov	5.75	5.87	5.72	5.83	—.02¼

Est. Sales Prev. Sales 51,373
Prev. Day Open Int. 95,385 off 1,580

SOYBEAN MEAL (CBT)
100 tons- dollars per ton

Season High	Season Low		Open	High	Low	Close	Chg.
196.00	159.70	Aug	180.00	181.50	175.20	178.60	—6.60
195.20	160.00	Sep	179.50	180.00	173.50	177.00	—8.00
195.00	159.90	Oct	179.50	179.50	172.00	177.30	—7.40
196.50	160.00	Dec	179.00	179.80	173.70	177.70	—8.00
197.00	161.30	Jan	179.00	179.10	175.00	178.00	—8.00
1180.00	163.50	Mar	178.00	180.00	175.00	179.00	—7.50
194.00	164.50	May	178.00	179.50	176.00	178.50	—6.00
196.00	166.00	Jul	179.00	180.00	176.00	178.50	—7.00

Est. Sales Prev. Sales 18,554
Prev. Day Open Int. 53,317 off 1,774

SOYBEAN OIL (CBT)
60,000 lbs- dollars per 100 lbs.

Season High	Season Low		Open	High	Low	Close	Chg.
25.50	18.18	Aug	21.00	21.10	20.50	20.92	—.72
25.10	18.37	Sep	21.05	21.26	20.68	21.11	—.65
24.90	18.50	Oct	21.20	21.30	20.82	21.27	—.65
24.05	18.81	Dec	21.65	21.80	21.20	21.62	—.66
24.15	19.00	Jan	21.90	21.92	21.50	21.75	—.67
24.10	19.32	Mar	22.25	22.25	21.70	22.02	—.70
23.90	19.62	May	22.24	22.24	21.95	22.15	—.81
24.30	19.90	Jul	22.25	22.25	22.20	22.32	—.83
22.10	20.05	Aug				22.45	—.67

Est. Sales Prev. Sales 20,724
Prev. Day Open Int. 74,134 off 196

Livestock

CATTLE (CME)
40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
75.80	69.50	Aug	69.37	69.50	68.40	68.50	—1.17
76.90	70.70	Oct	72.50	72.50	71.60	71.62	—1.05
77.00	71.75	Dec	74.40	74.47	73.65	73.80	—.67
76.70	72.80	Feb	73.80	74.05	73.30	73.50	—.50
77.00	74.55	Apr	74.60	74.80	74.25	74.35	—.20
75.15	72.60	Jun	73.00	73.00	72.35	72.80	—.35
72.60	72.00	Aug	71.75	71.75	71.75	71.75	—.35

Est. Sales 5,016 Prev. Sales 15,684
Prev. Day Open Int. 69,929 up 1,192

FEEDER CATTLE (CME)
44,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
90.15	80.20	Aug	86.45	86.45	85.52	85.62	—.55
88.95	79.75	Sep	84.90	84.90	83.90	83.97	—.78
88.30	80.20	Oct	84.55	84.65	83.65	83.67	—.75
88.10	81.20	Nov	84.60	84.75	83.85	83.90	—.65
87.80	81.50	Jan	84.35	84.35	83.75	83.77	—.48
87.10	82.80	Mar	83.50	83.60	83.27	83.27	—.38
87.00	82.60	Apr	83.00	83.10	83.00	82.70	—.45
84.50	82.00	May	82.10	82.10	82.10	81.95	—.15

Est. Sales 4,165 Prev. Sales 4,143
Prev. Day Open Int. 13,916 off 372

HOGS (CME)
40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
53.50	46.90	Aug	52.45	52.85	52.12	52.72	+.85
49.55	47.50	Oct	43.40	43.87	43.25	43.62	+.10
48.92	42.85	Dec	43.65	43.72	43.30	43.52	—.13
48.25	42.85	Feb	44.05	44.10	43.40	43.50	—.65
46.62	41.50	Apr	42.75	42.75	42.32	42.35	—.37
50.60	45.70	Jun	47.15	47.20	47.02	46.90	—.25
48.20	45.80	Jul	47.45	47.45	47.25	47.15	—.30
46.85	46.00	Aug	46.00	46.00	45.95	45.60	—.40

Est. Sales Prev. Sales 6,874
Prev. Day Open Int. 17,460 off 660

PORK BELLIES (CME)
40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
70.05	40.30	Aug	42.50	42.90	42.00	42.62	—.15
63.00	45.10	Feb	47.45	48.15	46.80	47.17	—.45
61.00	44.75	Mar	47.25	47.70	46.60	46.77	—.45
58.20	46.20	May	47.77	48.50	47.77	47.90	—.20
57.00	47.50	Jul				49.00	—1.00
51.00	45.47	Aug				45.60	—.92

Est. Sales 1,805 Prev. Sales 3,332
Prev. Day Open Int. 5,492 off 591

Food

COFFEE C (NYCSCE)
37,500 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
113.50	79.60	Sep	82.80	83.35	82.40	82.45	—.45
116.00	83.05	Dec	86.40	86.80	86.00	86.00	—.40
107.50	86.25	Mar	89.60	89.95	89.10	89.20	—.30
108.00	88.50	May	91.75	91.75	91.25	91.25	—.45
108.00	91.40	Jul	93.80	93.80	93.30	93.30	—.45
108.00	95.00	Sep				95.75	—.65
103.25	100.50	Dec				98.00	—1.00

Est. Sales 5,934 Prev. Sales 5,901
Prev. Day Open Int. 41,519 up 5

SUGARWORLD 11 (NYCSCE)
112,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
14.40	7.45	Oct	9.56	9.60	9.30	9.45	—.11
10.14	7.56	Mar	8.89	8.92	8.80	8.90	—.01
9.77	7.65	May	8.87	8.88	8.80	8.86	—.02
9.05	7.85	Jul	8.86	8.88	8.81	8.88	+.02
9.00	8.05	Oct	8.81	8.86	8.81	8.84	—.03

Est. Sales 10,601 Prev. Sales 8,033
Prev. Day Open Int. 116,617 off 892

COCOA (NYCSCE)
10 metric tons- $ per ton

Season High	Season Low		Open	High	Low	Close	Chg.
1515	893	Sep	1075	1114	1068	1082	—7
1535	953	Dec	1140	1170	1130	1148	—1
1538	997	Mar	1175	1198	1172	1180	—6
1385	1026	May	1200	1215	1190	1205	—13
1385	1056	Jul	1220	1236	1215	1228	—7
1250	1080	Sep	1240	1256	1239	1250	—10
1280	1119	Dec	1269	1280	1269	1280	—15
1320	1285	Mar	1309	1320	1306	1320	—15
1335	1210	May	1335	1336	1326	1346	—14
		Jul				1381	—14

Est. Sales 11,586 Prev. Sales 7,474
Prev Day Open Int. 57,272 off 249

ORANGE JUICE (NYCE)
15,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
127.00	106.00	Sep	118.35	119.10	117.85	118.40	+.75
121.00	111.00	Nov	118.15	118.80	117.50	117.50	—.15
120.50	113.40	Jan	117.00	117.20	116.60	116.70	+.30
120.80	113.60	Mar	117.05	117.05	117.05	117.15	+.15
120.00	115.00	May	117.05	117.05	117.05	117.40	+.15
119.00	116.00	Jul				117.40	+.15
		Sep				117.40	+.15
		Nov				117.40	+.15

Est. Sales 500 Prev. Sales 827
Prev. Day Open Int. 5,893 off 151

Metals

HI GRADE COPPER (COMEX)
25,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
109.00	96.10	Aug	101.00	101.30	100.80	101.00	—.20
110.50	9.20	Sep	101.45	101.45	100.70	100.80	—.65
106.90	95.30	Oct	100.90	100.90	100.40	100.30	—.80
105.00	95.10	Nov				100.05	—.60
108.50	94.50	Dec	100.30	100.40	99.80	99.80	—.50
104.50	95.00	Jan				99.35	—.50
105.10	95.00	Feb				98.90	—.50
106.80	93.90	Mar	98.60	98.60	98.60	98.40	—.50
99.10	93.50	Apr				97.90	—.50
106.20	93.30	May	97.80	97.80	97.80	97.40	—.50
97.50	95.10	Jun				96.95	—.50
103.80	92.80	Jul	97.00	97.00	97.00	96.50	—.50
103.45	92.80	Sep	96.20	96.20	96.20	95.70	—.50
100.50	91.60	Dec	95.60	95.60	95.60	95.15	—.50
93.45	2.50	Jan				94.90	—.50
96.65	92.80	Mar				94.55	—.50
		May				94.35	—.50

Est. Sales 4,500 Prev. Sales 3,623
Prev. Day Open Int. 31,969 up 255

SILVER (COMEX)
5,000 troy oz.- cents per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
446.0	388.0	Aug				394.0	+1.9
654.0	367.5	Sep	396.0	398.5	394.0	396.0	+2.0
398.0	398.0	Oct				398.2	+2.0
623.5	374.0	Dec	403.0	405.0	401.0	402.7	+2.0
596.0	402.0	Jan	404.0	405.0	404.0	404.2	+2.6
613.0	382.0	Mar	408.0	412.5	408.0	409.7	+1.9
589.0	385.0	May				414.4	+1.8
557.0	395.0	Jul	419.0	421.5	419.0	419.2	+1.8
483.0	412.0	Sep	425.0	425.0	425.0	424.2	+1.8
507.0	408.0	Dec	432.3	432.3	432.3	432.3	+1.8
505.0	440.0	Jan				435.2	+1.8
513.0	437.5	Mar	441.5	442.0	441.5	441.0	+1.8
471.0	443.0	May				447.0	+1.8

Est. Sales 12,000 Prev. Sales 11,962
Prev. Day Open Int. 100,009 up 903

PLATINUM (NYME)
50 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
513.00	350.50	Oct	359.00	359.50	356.00	358.20	+3.80
451.50	355.50	Jan	364.50	364.50	361.00	363.00	+3.80
438.50	361.00	Apr	369.00	369.00	369.00	367.00	+3.80
427.50	376.50	Jul				370.90	+3.80
404.00	375.00	Oct				378.90	+3.80

Est. Sales Prev. Sales 1,812
Prev. Day Open Int. 18,918 off 391

PALLADIUM (NYME)
100 troy oz- dollars per oz

Season High	Season Low		Open	High	Low	Close	Chg.
119.40	80.75	Sep	86.00	86.90	85.60	86.70	+1.95
114.50	82.50	Dec	87.75	88.50	87.50	88.00	+1.95
135.75	86.75	Mar	89.50	89.50	89.00	88.85	+1.85
101.75	89.95	Jun	91.00	91.00	91.00	90.35	+1.85

Est. Sales Prev. Sales 572
Prev. Day Open Int. 4,349 off 73

GOLD (COMEX)
100 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
468.00	333.90	Aug	357.50	357.50	356.50	356.70	+.50
375.00	355.50	Sep				358.00	+.40
476.00	356.90	Oct	360.20	360.50	359.50	359.70	+.40
483.00	360.20	Dec	363.50	363.80	362.90	363.10	+.40
456.50	363.70	Feb	367.10	367.10	366.50	366.40	+.40
446.00	367.30	Apr				369.50	+.30
467.00	370.80	Jun				372.70	+.10
426.50	377.50	Aug	376.50	376.50	376.50	376.00	
410.80	379.00	Oct				379.30	—.10
406.80	381.80	Dec				382.80	—.20
404.20	404.20	Feb				386.50	—.30
410.00	388.50	Apr				390.10	—.40
411.80	394.30	Jun				394.00	—.50

Est. Sales 15,000 Prev. Sales 23,938
Prev. Day Open Int. 98,465 off 86,858

Financial

US T. BILLS (IMM)
$1 million- pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
94.64	91.60	Sep	94.57	94.69	94.54	94.65	+.08
94.47	92.24	Dec	94.41	94.57	94.40	94.54	+.13
94.38	93.42	Mar	94.34	94.51	94.33	94.49	+.14
93.98	93.15	Jun	94.00	94.00	94.00	94.08	+.13
		Sep				93.58	+.10

Est. Sales 18,795 Prev. Sales 8,401
Prev. Day Open Int 56,411 off 2,201

5 YR. TREASURY (CBT)
$100,000 prin- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
01.065	98.275	Sep	101.060	101.190	101.040	101.175	+.115
00.175	98.190	Dec	100.165	100.280	100.145	100.270	+.095
99.290	99.250	Mar				100.070	+.765

Est. Sales Prev. Sales 11,253
Prev. Day Open Int. 83,964 up 4,478

10 YR. TREASURY (CBT)
$100,000 prin- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
100-1	96-1	Sep	99-12	100	99-8	99-28	+17
98-22	95-15	Dec	98-23	99-7	98-19	99-5	+16
97-5	95-8	Mar				98-18	+15

Est. Sales Prev. Sales 15,557
Prev. Day Open Int. 86,374 up 1,871

US TREASURY BONDS (CBT)
(8 pct-$100,000-pts & 32nds of 100 pct)

Season High	Season Low		Open	High	Low	Close	Chg.
99-5	85-29	Sep	96-6	96-24	95-29	96-23	+20
98-20	85-19	Dec	95-12	95-31	95-4	95-30	+20
98-13	85-14	Mar	94-23	95-6	94-17	95-6	+18
97-19	85-3	Jun	94-7	94-16	94-6	94-14	+16
95-8	87-14	Sep	93-11	93-24	93-11	93-24	+15
94-11	85-6	Dec	92-21	93-4	92-20	93-4	+15
94-26	90-16	Mar				92-17	+15
90-23	90-22	Jun				91-30	+15
91	90	Sep				91-12	+14
		Dec				90-27	+13
		Mar				90-11	+12

Est. Sales Prev. Sales 154,359
Prev. Day Open Int. 303,183 off 829

MUNICIPAL BONDS (CBT)
$1000 x index-pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
92-29	84-7	Sep	92-24	93-4	92-22	93-3	+10
92	88-16	Dec	92-4	92-8	92-3	92-8	+11
91-20	88	Mar				91-26	+11

Est. Sales Prev. Sales 620
Prev Day Open Int 7,076 up 13

EURODOLLARS (IMM)
$1 million-pts of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
94.06	90.04	Sep	94.02	94.19	94.00	94.16	+.14
93.70	90.04	Dec	93.65	93.88	93.63	93.85	+.19
93.65	90.09	Mar	93.59	93.79	93.56	93.76	+.17
93.20	90.35	Jun	93.18	93.37	93.16	93.35	+.17
92.72	90.32	Sep	92.69	92.86	92.68	92.84	+.15
92.16	90.24	Dec	92.16	92.31	92.14	92.30	+.14
92.16	90.28	Mar	92.14	92.26	92.12	92.25	+.11
91.96	90.27	Jun	91.94	92.06	91.92	92.05	+.11
91.81	90.27	Sep	91.72	91.87	91.72	91.84	+.11
91.66	90.22	Dec	91.43	91.58	91.43	91.55	+.11
91.66	90.24	Mar	91.46	91.61	91.46	91.58	+.11
91.57	90.40	Jun	91.36	91.51	91.36	91.48	+.11
91.52	90.36	Sep	91.27	91.40	91.27	91.38	+.10
91.44	90.71	Dec	91.09	91.22	91.09	91.20	+.10
91.15	90.75	Mar	91.12	91.25	91.12	91.23	+.10
91.10	90.71	Jun	91.06	91.19	91.06	91.17	+.10

Est. Sales 274,456 Prev. Sales 97,769
Prev. Day Open Int. 841,847 off 6,453

BRITISH POUND (IMM)
$ per pound- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
1.9340	1.5824	Sep	1.7040	1.7080	1.6970	1.7064	+44
1.7900	1.5670	Dec	1.6850	1.6888	1.6790	1.6868	+40
1.6680	1.5670	Mar	1.6680	1.6680	1.6680	1.6708	+34

Est. Sales 18,096 Prev. Sales 15,932
Prev. Day Open Int. 21,961 up 856

CANADIAN DOLLAR (IMM)
$ per dlr- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.8718	.7985	Sep	.8684	.8684	.8674	.8687	+12
.8667	.8175	Dec	.8627	.8627	.8622	.8626	+11
.8630	.8268	Mar				.8578	+10
.8585	.8330	Jun				.8529	+9
.8480	.8420	Sep				.8474	

Est. Sales 2,748 Prev. Sales 1,480
Prev. Day Open Int. 22,042 off 204

GERMAN MARK (IMM)
$ per mark- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.6810	.5401	Sep	.5824	.5842	.5802	.5834	+29
.6770	.5365	Dec	.5771	.5790	.5755	.5784	+29
.5840	.5353	Mar	.5730	.5737	.5730	.5740	+29
.5540	.5355	Jun				.5701	+29

Est. Sales 43,912 Prev. Sales 51,429
Prev. Day Open Int. 71,545 up 2,670

JAPANESE YEN (IMM)
$ per yen- 1 point equals $0.000001

Season High	Season Low		Open	High	Low	Close	Chg.
.007870	.007003	Sep	.007315	.007378	.007314	.007371	+72
.007559	.006997	Dec	.007296	.007355	.007292	.007347	+70
.007302	.007000	Mar				.007339	+68
.007220	.007150	Jun				.007335	+66

Est. Sales 33,748 Prev. Sales 14,677
Prev. Day Open Int. 51,787 up 1,942

SWISS FRANC (IMM)
$ per franc- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.8055	.6254	Sep	.6684	.6701	.6659	.6686	+13
.8090	.6240	Dec	.6655	.6670	.6628	.6653	+11
.6995	.6267	Mar	.6630	.6630	.6630	.6627	+10

Est. Sales 22,524 Prev. Sales 26,631
Prev. Day Open Int. 35,661 off 556

Industrials

COTTON 2 (NYCE)
50,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
83.30	66.77	Oct	70.11	70.70	69.80	69.95	+.14
76.35	63.75	Dec	69.65	70.50	69.60	69.92	+.18
77.15	64.65	Mar	70.90	71.65	70.90	71.15	+.20
92.25	65.10	May	71.65	72.25	71.60	71.80	+.05
77.70	66.50	Jul	72.80	72.80	72.80	72.51	+.06
70.60	68.00	Oct	69.00	69.00	69.00	68.85	+.12
69.00	67.20	Dec	68.00	68.30	68.00	68.13	+.08

Est. Sales 5,500 Prev. Sales 3,871
Prev. Day Open Int. 40,191 off 396

HEATING OIL (NYME)
42,000 gal- cents per gal

Season High	Season Low		Open	High	Low	Close	Chg.
84.28	50.25	Sep	59.80	60.00	58.95	59.10	—.96
85.00	51.30	Oct	61.00	61.05	60.00	60.75	—1.00
78.00	52.30	Nov	61.95	61.95	61.05	61.85	—1.05
82.62	53.30	Dec	62.90	62.95	61.90	62.10	—.90
68.50	53.40	Jan	63.00	63.05	62.00	62.15	—1.02
62.40	52.25	Feb	61.80	61.80	60.90	61.00	—.87
59.80	51.40	Mar	59.25	59.25	58.35	58.60	—.67
57.65	50.00	Apr	56.85	56.85	56.30	56.50	—.57
55.20	48.00	Jun	54.15	54.15	54.15	54.15	—.37
56.00	51.60	Jul	54.15	54.15	53.70	53.70	—.32
55.00	52.75	Aug	55.00	55.00	55.00	55.00	+.38
55.50	53.75	Sep	56.00	56.00	56.00	56.00	+.38
56.50	56.50	Oct	56.90	56.90	56.90	56.90	+.38

Est. Sales Prev. Sales 13,985
Prev. Day Open Int

CRUDE OIL (NYME)
1,000 bbl.- dollars per bbl.

Season High	Season Low		Open	High	Low	Close	Chg.
28.72	16.90	Sep	21.53	21.55	21.27	21.37	—.10
28.40	17.04	Oct	21.45	21.46	21.22	21.32	—.09
28.10	17.20	Nov	21.34	21.35	21.15	21.22	—.11
27.70	17.10	Dec	21.23	21.24	21.07	21.10	—.13
27.60	17.25	Jan	21.05	21.11	20.95	21.01	—.08
27.00	17.50	Feb	20.97	20.98	20.86	20.86	—.09
26.75	17.25	Mar	20.83	20.83	20.68	20.70	—.11
26.50	17.50	Apr	20.70	20.70	20.58	20.58	—.11
24.60	17.30	May	20.59	20.59	20.58	20.58	—.12
24.50	17.50	Jun	20.45	20.45	20.45	20.45	—.10
22.11	17.90	Jul	20.50	20.50	20.38	20.42	—.10
21.33	17.75	Aug	20.50	20.50	20.41	20.41	—.11
21.35	18.85	Oct	20.55	20.55	20.55	20.55	
24.00	18.25	Dec				20.65	+.05

Est Sales Prev. Sales 51,668
Prev. Day Open Int 273,230 off 2,084

UNLEADED GASOLINE (NYME)
42,000 gal- cents per gal

Season High	Season Low		Open	High	Low	Close	Chg.
87.00	51.60	Sep	67.30	67.40	66.25	66.60	—.56
86.75	49.75	Oct	63.10	63.30	62.20	62.35	—.68
66.75	48.60	Nov	60.60	60.70	59.75	59.90	—.70
75.25	47.75	Dec	58.90	58.90	58.05	58.10	—.80
58.80	47.00	Jan	58.00	58.00	57.20	57.20	—.75
58.75	50.70	Feb	57.90	58.00	57.30	57.50	—.55
59.35	50.50	Mar	58.85	59.00	58.45	58.45	—.50
61.20	58.60	Jul	60.00	60.00	60.00	60.00	+.65

Est. Sales Prev. Sales 26,870
Prev. Day Open Int 78,852 off 263

Stock Indexes

SP COMP. INDEX (CME)
points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
396.05	304.00	Sep	386.00	392.45	385.20	391.70	+5.00
399.85	321.75	Dec	388.50	395.15	388.50	394.45	+4.95
401.05	380.00	Mar				397.30	+4.80
395.00	392.50	Jun				400.80	+5.10

Est. Sales Prev Sales 29,174
Prev. Day Open Int. 147,611 off 379

NYSE COMP. INDEX (NYFE)
points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
216.40	173.10	Sep	211.50	214.85	210.95	214.50	+2.70
217.60	175.50	Dec	212.75	216.00	212.40	215.90	+2.65
217.90	207.20	Mar	214.20	217.40	214.20	217.30	+2.60
216.00	208.90	Jun	217.00	217.00	217.00	218.70	+2.55

Est. Sales Prev. Sales 4,054
Prev. Day Open Int 5,041 off 267

Commodity Indexes

	Close	Previous
Moody's	1,057.60	1,055.30
Reuters	1,686.40	1,700.80
Dow Jones Futures	122.59	122.86
Comm. Research	212.81	214.01

WORLD STOCK MARKETS

Agence France Presse Aug. 6

Amsterdam

	Close	Prev.
ABN Amro Hld	40	40.30
ACF Holding	37.20	37.40
Aegon	120.70	121.30
Ahold	80	80.20
Akzo	116.50	117.10
AMEV	51.80	52.30
A'Dam Rubber	4	4.20
Bols	201.70	201.70
Buhrmann Tett	46.70	46.40
Center Parcs	24.75	25
CSM	91.20	81
DAF	23	22.20
DSM	104.50	104.80
Elsevier	84.60	84.40
Fokker	33.20	33.70
Gist Brocades	34	34.10
Heineken	151.80	152.40
Hoogovens	62.20	63.40
Hunter Douglas	81.30	81
IHC Caland	61.50	62.60
Inter Mueller	78.50	77.50
Intl Nederland	50.10	50.80
KLM	28.40	28.40
KNP	52.80	53
Nedlloyd	57.20	57.40
Oce Grinten	57.50	57.80
Pakhoed	191.80	191.50
Philips	33.30	33.60
Robeco	100.60	101.40
Rodamco	53.50	53.50
Rolinco	100.20	101.60
Rorento	66.20	66.50
Royal Dutch	159.50	159.90
Unilever	161.10	161.80
Van Ommeren	46	46.30
VMF Stork	45.90	46.50
VNU	75.20	76.60
Wessanen	84.90	85.30
Wolters Kluwer	54.60	54.50

CBS trend index : 92.60
Previous : 93.10

Brussels

	Close	Prev.
AG Fin	1850	1845
Arbed	4390	4330
Barco	1160	1150
Bekaert	9200	9220
Cockerill	176	175
Cobepa	4995	4980
Delhaize	7930	7960
Electrabel	4550	4500
GB-Inno-BM	1310	1316
GBL	3480	3480
Gevaert	6580	6600
Hoboken	10600	10650
Kredietbank	4005	4005
Petrofina	11500	11525
Royal Belge	4130	4190
Soc Gen Baue	5060	5080
Soc Gen Belgique	2405	2410
Sofina	11650	11650
Solvay	12800	12800
Tractebel	8220	8240
UCB	18125	18250
Powerfin	2410	2360

Current Stock Index : 5738.78
Previous : 5732.35

Frankfurt

	Close	Prev.
AEG	195.50	196
Allianz Hold	2073	2083
Altana	645.50	650
Asko	846	840
BASF	236	239.50
Bayer	275.50	278.50
Bay Hypo bank	365	367
Bay Vereinsbk	400	404
BBC	680	715
BHF Bank	373.50	375
BMW	503	504
Commerzbank	256.70	257.50
Continental	198	198
Daimler Benz	725.50	731.50
Degussa	337	333.50
Dt Babcock	161	161.50
Deutsche Bank	640.30	642.50
Douglas	704.50	702
Dresdner Bank	358	358.90
Harpener	280	270
Henkel	576	577
Hochtief	1241	1262
Hoechst	237.60	243.50
Hoesch	264	263
Holzmann	1255	1250
Horten	188	192.50
IWKA	319	321
Kali Salz	169	172
Karstadt	579	582
Kaufhof	474.50	477
KHD	164	167
Kloeckner Werke	134	131.50
Krupp Stahl	144.50	147.50
Linde	788	795
Lufthansa	136.30	136.90
MAN	371.50	372
Mannesmann	267.60	270
Metallgesell	485.50	491
Muench Rueck	2440	2435
Nixdorf	239.60	240.50
PKI	506	506
Porsche	810	815
Preussag	350.20	352.40
PWA	250	245
RWE	383.50	385.30
Rheinmetall	336	334
Schering	790	789.50
SEL	374	375
Siemens	650.80	656.30
Thyssen	223	224.80
Varta	327	327
Veba	345.20	343.20
VEW	198.50	198.30
Viag	386.50	383.50
Volkswagen	365.50	366
Wella	667	661

DAX Index : 1611.90
Previous : 1622.03
FAZ Index : 679.62
Previous : 673.33

Helsinki

	Close	Prev.
Amer A	54	55
Enso-Gutzeit	18	20
K.O.P.	33	33
Kymmene	64.50	65
Metra	71	71
Nokia	93	93
Pohjola	92	93
Repola	57	56
Stockmann	130	N.Q.

HEX Index : 1004.60
Previous : 1005.30

Hong Kong

	Close	Prev.
Bk East Asia	19.30	19.70
Cathay Pacific	9.40	9.40
Cavendish Int'l	3.68	3.73
Cheung Kong	20.50	21
China Light Pwr	20.90	21.10
Dairy Farm Int'l	10.90	10.80
Hang Lung Dev	7.90	8.10
Hang Seng Bank	32.50	33.25
Henderson Land	12.90	13.40
HK Air Eng.	18.20	18.30
HK China Gas	10.70	10.70
HK Electric	12.50	12.50
HK Land	8.90	8.95
HK Realty Trust	6.45	6.30
HK Shang Bank	28.80	28.90
HK Shang Hits	5.05	5.05
HK Telecomm	7	6.95
HK Ferry	5.30	5.35
Hutch Whampoa	15.50	15.60
Hysan Dev	7.90	8.05
Jardine Math.	35.75	36.25
Jardine Str Hld	18.20	18.40
Kowloon Motor	7.90	7.80
Mandarin Orient	4.90	4.93
Miramar Hotel	5.85	5.90
New World Dev	11.30	11.60
SHK Props	21.60	22.20
Stelux	3.53	3.55
Swire Pac A	21.80	22.10
Tai Cheung Prps	4.78	4.80
TVE	1.58	1.58
Wharf Hold	10.20	10.50
Wing On Co	7.50	7.45
Winsor Ind.	9.90	9.90
World Int'l	5.55	5.60

Hang Seng Index : 4021.27
Previous : 4063.01

Johannesburg

	Close	Prev.
AECI	12	12
Altech	90	90
Anglo Amer	118.50	115.75
Barlows	47.25	47
Blyvoor	7	7
Buffels	41	41
De Beers	90	89.25
Driefontein	41.35	40.50
Gencor	14	13.60
GFSA	76	75
Harmony	18.50	17.25
Highveld Steel	17.10	17.10
Kloof	34.25	32.25
Nedbank Grp	15	14.75
Randfontein	14.50	14.25
Rusplat	69.50	67
SA Brews	57.25	56.50
St Helena	26	26
Sasol	14.50	14.60
Welkom	15	15
Western Deep	118	117

Composite Stock Index : 3463
Previous : 3443

London

	Close	Prev.
Abbey Nat'l	2.98	3
Allied Lyons	5.80	5.87
Arjo Wiggins	2.79	2.84
Argyll Group	3.09	3.07
ASDA Group	0.88	0.89
Ass Brit Foods	5.41	5.39
BAA	4.33	4.34
BAe	5.62	5.73
Bank Scotland	1.18	1.18
Barclays	4.56	4.60
Bass	9.09	9.15
BAT	7.30	7.38
BET	2.10	2.12
BICC	4.47	4.56
Blue Circle	2.60	2.62
BOC Group	5.75	5.83
Boots	4.10	4.11
BP	3.41	3.42
Brit Airways	1.74	1.78
Brit Gas	2.48	2.57
Brit Steel	1.21	1.21
Brit Telecom	3.85	3.84
BTR	4.19	4.20
Cable Wire	5.75	5.72
Cadbury Sch	3.65	3.61
Comm Union	5.27	5.25
Courtaulds	4.35	4.38
Enterprise Oil	5.17	5.25
Eurotunnel	4.37	4.45
Fisons	4.82	4.92
Forte	2.70	2.70
GEC	1.87	1.90
Gen'l Acc	5.60	5.63
Glaxo	12.62	12.75
Grand Met	7.85	7.86
GRE	1.80	1.80
Guinness	9.80	9.80
GUS	16	16
Hanson	2.08	2.08
Hawker Sidd	5.67	5.76
Hillsdown	2.28	2.29
ICI	13.36	13.26
Kingfisher	5.34	5.40
Ladbroke	2.67	2.67
Land Sec	5.04	5.12
Lasmo	3.26	3.32
Legal Gen Grp	4.43	4.44
Lloyds Bank	3.77	3.77
Lonrho	2.44	2.44
Lucas Ind	1.36	1.39
Marks Sp	2.72	2.76
Maxwell	1.96	1.96
MEPC	4.73	4.70
Midland Bk	2.31	2.31
Nat'l Power	1.50	1.52
NatWest	3.36	3.27
NthWst Water	3.62	3.62
Pearson	7.45	7.50
P&O	5.75	5.84
Pilkington	1.48	1.54
PowerGen	1.57	1.58
Prudential	2.49	2.51
Racal Elec	2.11	2.12
Rank Org	6.77	6.75
Reckitt Col	6.59	6.63
Redland	5.51	5.60
Reed Intl	4.41	4.40
Reuters	8.02	8.11
RMC Group	6.43	6.55
Rolls Royce	1.53	1.58
Rothmans	10.45	10.67
Royal Ins	4.04	4.10
Royal Scot	1.86	1.87
RTZ	5.82	5.83
Sainsbury	3.73	3.75
Scot Newcas	4.17	4.17
Sears Holds	0.78	0.79
Severn Trent	3.23	3.28
Shell	5.29	5.32
Smith Nephew	1.32	1.34
SmithKline B	7.82	7.77
Sun Alliance	3.74	3.77
Tarmac	2.23	2.28
Tate & Lyle	3.87	3.92
Tesco	2.76	2.78
Thorn EMI	7.70	7.68
Trafalgar Hse	2.10	2.18
TSB Group	1.54	1.49
Ultramar	2.76	2.74
Unilever	7.67	7.65
Utd Biscuits	3.90	3.90
War Loan 3½	35.56	35.63
Wellcome	7.09	7.16
Whitbread	4.97	4.98
Williams Hdgs	3.19	3.25
Willis Corroon	3.13	3.13

F.T. 30 Index : 1989.10
Previous : 1999.40
F.T.S.E. 100 Index : 2573.00
Previous : 2585.80

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3140	3190
Banco Central	4285	4295
Bco. Santander	5140	5230
Banesto	3845	3920
CEPSA	2260	2295
Dragados	2410	2470
Iberduero	679	693
Telefonica	958	965

S.E. General Index : 271.99
Previous : 275.45

Milan

	Close	Prev.
Alenia	2856	2858
Banca Comm	4750	4800
Bastogi	219.50	224.50
Benetton group	9750	9800
Ciga hotels	2420	2370
CIR	2900	2920
Cred Ital	2700	2725
Enichem	1479	1480
Eridania	7360	7400
Ferfin	2170	2195
Ferfin Risp	1363	1389
Fiat SPA	6070	6085
Generali	31500	31900
IFI	15938	15950
Italcem	22350	22600
Italgas	3225	3232
Italmobiliare	74500	74900
Mediobanca	16130	16100
Montedison	1460	1465
Olivetti	3850	3883
Pirelli	1970	1995
RAS	18900	19250
Rinascente	7510	7550
Saipem	1399	1413
SIP	1131	1134
SME	3180	3188
Snia	1470	1480
Standa	35000	35000
Stet	2010	2034
Toro Assi Risp	23685	23680

MIB Index : 1110
Previous : 1117

Montreal

	Close	Prev.
Alcan Aluminum	22¼	23⅛
Bank Montreal	36	36⅛
Bell Canada	44½	44⅛
Bombardier A	23⅞	23¼
Bombardier B	23⅝	23½
Cambior	10	10⅛
Cascades	4.85	4.90
Dominion Text A	6¼	6¼
Donohue	N.Q.	20⅝
MacMillan Bl	20¼	20⅜
Memotec	9⅛	9⅞
Natl Bk Canada	11	11
Power Corp.	15⅛	15⅝
Provigo	N.Q.	11¼
Quebec Tel	15⅞	15⅛
Quebecor A	17½	N.Q.
Quebecor B	16⅝	16⅛
Videotron	13½	13½

Industrials Index : 1608.54
Previous : 1604.93

Paris

	Close	Prev.
Accor	761	762
Air Liquide	657	650
Alcatel Alsthom	571	574
Bancaire (Cie)	502	495.10
BIC	725	725
Bouygues	565	562
BSN-GD	892	895
Carrefour	1986	1975
C.C.F.	152	153.30
Cerus	125.60	125
Chargeurs	740	740
Club Med	431.50	430
Elf-Aquitaine	348	351.50
Gen. Eaux	2359	2372
Euro Disneyland	126.30	126
Hachette	177	176
Havas	490	492.10
Imetal	282.30	280
Lafarge Coppee	352	352
Legrand	3510	3490
Lyon. Eaux	510	512
Oreal (L')	590	590
L.V.M.H.	4262	4269
Matra	195	196.80
Merlin Gerin	487.50	489.70
Michelin B	102.20	103
Moulinex	155.90	156.10
Paribas	416.50	416
Pechiney Intl	147	153
Pernod-Ricard	1202	1181
Perrier	1336	1337
Peugeot	577	579
Printemps (Au)	807	796
Radiotechnique	N.Q.	—
Raff. St. Louis	1464	1465
Redoute (La)	4245	4142
Saint Gobain	440	453.10
Sanofi	857	856
S.E.B.	1612	1620
Ste Generale A	429.80	430
Suez	325.50	325.20
Thomson-CSF	125.50	124.50
Total	857	856
U.A.P.	524	520
Valeo	527	526

CAC 40 Index : 1759.53
Previous : 1762.22

Sao Paulo

	Close	Prev.
Banco do Brasil	140	150
Bradesco	9.31	9.64
Brahma	48.40	49
Paranapanema	5	5.46
Petrobras	1585	1660
Vale Rio Doce	234	237
Varig	35	31.50

Bovespa Index : 18371
Previous : 19086

Singapore

	Close	Prev.
City Dev.	3.36	3.26
DBS	11.90	11.90
Fraser Neave	8.45	8.45
Harrisons Plant	1.26	1.26
Haw Par	2.55	2.59
Hume	3.66	3.64
Inchcape	4.10	4.10
Keppel	7.40	7.50
KL Kepong	2.55	2.65
Lum Chang	1.11	1.10
Malayan Banking	4.10	4.14
OCBC	8.50	8.55
OUB	5.40	5.35
OUE	6.50	6.75
Sembawang	6.90	7.10
Shangrila	5.75	5.70
Sime Darby	2.42	2.42
SIA	13.30	13.30
S'pore Land	5.70	5.65
S'pore Press	8.70	8.75
Sing Steamship	2.38	2.36
Straits Trading	2.80	2.74
UOB	6.80	6.80
United Overseas	1.57	1.55

Straits Times Ind. : 1463.97
Previous : 1465.84

Stockholm

	Close	Prev.
AGA	320	320
Asea	401	405
Astra A	629	639
Atlas Copco	260	270
Electrolux B	259	267
Ericsson	183	188
Esselte-A	160	160
Handelsbanken	115	121
Norsk Hydro	189	187.50
Procordia AF	190	190
Providentia	101	107
Sandvik	351	358
SCA-A	118	122
S-E Banken	75.50	77
Skandia F	180	183
Skanska	194	193
SKF	103	108
Stora	348	355
Trelleborg B	119	123
Volvo	346	357

Affaersvaerlden : 1071.70
Previous : 1094.20

Sydney

	Close	Prev.
ANZ	3.95	3.94
BHP	13.50	13.55
Boral	3.39	3.40
Bougainville	0.73	0.70
Coles Myer	11	11.05
Comalco	4.05	4.05
CRA	14.20	14.10
CSR	5.32	5.30
Dunlop	5.14	5.14
Fosters Brew	1.77	1.77
ICI Australia	4.25	4.22
Magellan	2.20	2.20
MIM	2.08	2.09
Nat Aust Bank	7.10	7.08
News Corp	8.20	8.24
Nine Network	0.58	0.57
N Broken Hill	2.59	2.53
Poseidon	1.20	1.20
QCT Resources	1.34	1.34
Santos	3.45	3.47
TNT	0.78	0.78
Western Mining	5.60	5.58
Westpac Banking	4.68	4.67
Woodside	3.32	3.37

All ordinaries index : 1579.30
Previous : 1574.90

Tokyo

	Close	Prev.
Akai Electr	1120	1150
Asahi Chemical	734	749
Asahi Glass	1200	1210
Bank of Tokyo	1300	1310
Bridgestone	1040	1070
Canon	1560	1550
Casio	1400	1450
C.Itoh	640	646
Dai Nippon Print	1490	1490
Daiwa House	1890	1920
Daiwa Securities	1270	1270
Fanuc	5060	5130
Fuji Bank	2530	2570
Fuji Photo	3470	3530
Fujitsu	1030	1050
Hitachi	1120	1140
Hitachi Cable	1070	1100
Honda	1480	1500
Ito Yokado	4590	4550
Japan Airlines	1180	1200
Kajima	1470	1470
Kansai Power	2740	2820
Kawasaki Steel	399	402
Kirin Brewery	1440	1490
Komatsu	860	861
Kubota	677	682
Kyocera	6090	6150
Matsu Elec Inds	1680	1700
Matsu Elec Wks	1530	1560
Mitsubishi Bk	2600	2580
Mitsubishi Kasei	505	515
Mitsubishi Elec	672	681
Mitsubishi Hev	709	723
Mitsubishi Corp	1260	1280
Mitsui and Co	740	745
Mitsukoshi	1240	1250
Mitsumi	1660	1670
NEC	1450	1460
NGK Insulators	1090	1060
Nikko Securities	950	960
Nippon Kogaku	1090	1140
Nippon Oil	960	991
Nippon Steel	411	417
Nippon Yusen	595	610
Nissan	726	734
Nomura Sec	1770	1800
NTT (SF)	8965	9155
Olympus Optical	1280	1290
Pioneer	3850	3910
Ricoh	695	705
Sanyo Elec	545	561
Sharp	1570	1600
Shimazu	771	775
Shinetsu Chem	1600	1630
Sony	6130	6150
Sumitomo Bk	2220	2210
Sumitomo Chem	450	459
Sumi Marine	947	968
Sumitomo Metal	438	439
Taisei Corp	895	903
Taisho Marine	980	981
Takeda Chem	1510	1560
TDK	5980	6140
Teijin	533	545
Tokyo Marine	1270	1280
Tokyo Elec Pw	3590	3620
Toppan Printing	1360	1380
Toray Ind.	635	645
Toshiba	730	745
Toyota	1630	1650
Yamaichi Sec	920	940

Nikkei 225 : 23465
Previous : 23823
Topix Index : 1813
Previous : 1834

Toronto

	Close	Prev.
Abitibi Price	16	16⅛
Agnico Eagle	5½	5⅝
Air Canada	9	9
Alberta Energy	14	13⅞
Am Barrick Res	26¼	26½
BCE	44⅛	44¼
BCED	0.14	0.14
Bk Nova Scotia	18⅛	18
BC Gas	15⅛	15⅝
BC Phone	19½	19⅝
BP Canada	13½	13¾
Bramalea	6⅝	6⅝
Brunswick	7⅞	7⅝
CAE	7⅛	7¼
Campeau	0.50	0.48
CIBC	30⅛	30
Canadian Pacific	19⅞	19½
Can Packers	15⅛	15⅝
Can Tire A	24⅝	24½
Canadian Turbo	2.30	2.30
Cantor	24⅛	25⅛
Cara	5⅝	5⅛
CCL Ind B	10	10
Cineplex	5⅛	4.65
Cominco	23¼	23½
Conwest Expl A	12½	12½
Corona Intl	N.Q.	6⅛
Denison Min B	0.30	0.30
Dickenson Min A	2.95	2.95
Dofasco	22⅝	23⅛
Dylex A	4.15	4.30
Echo Bay Mines	10⅛	10½
Equity Silver A	1.15	1.05
FCA Intl	6	6⅛
Fed Ind A	7⅛	7⅛
Fletcher Chall A	18⅛	18¼
FPI	6	6⅛
GoldCorp	3.60	3.55
Gulf Cda Res	8⅝	9
Hees Intl	17½	17⅝
Hemlo Gld Mines	10⅛	10⅞
Hollinger	10⅝	11
Horsham	11⅛	11⅛
Hudson's Bay	34⅛	34⅛
Imasco	29⅛	29
Inco	41⅛	41⅛
Interprov pipe	30	29⅛
Jannock	15½	15⅝
Labatt	25⅝	25½
Loblaw Co	20¼	20½
Mackenzie	6⅝	6½
Magna Intl A	12⅞	12⅝
Maritime	19⅛	19⅞
Mark Res	6⅞	7
MacLean Hunter	10½	10⅝
Molson A	28	27¾
Noma Ind A	7¼	7½
Noranda	19⅝	19¼
Noranda Forest	8⅛	8⅝
Norcen Energy	21½	21¼
Nova Corp	7½	7¾
Oshawa	28½	28½
Pagurin A	6	6⅛
Placer Dome	14⅛	14⅜
Poco Petroleum	7⅞	7⅝
PWA Corp	6	6½
Quebec Sturgeon	0.20	N.Q.
Ranrock	7⅛	7⅛
Renaissance	15⅛	15⅛
Rogers B	10⅛	10½
Rothmans	68½	68½
Royal Bank Can	25⅝	25⅜
Royal TrustCo	9⅛	9¼
Sceptre Res	3.10	3.10
Scott's Hosp	18⅛	18⅞
Seagram	125¼	124½
Sears Can	12⅝	12⅞
Shell Can	44½	44⅝
Sherritt Gordon	7⅝	8
SHL Systemhse	6¼	6⅝
Southam	17¼	17¼
Spar Aerospace	15	14⅞
Stelco A	6½	6½
Teck B	21⅞	22
Thomson News	14⅝	14½
Toronto Domn	18⅛	18¼
Torstar B	24⅛	24¼
Transalta Util	12⅛	12⅞
TransCda Pipe	16⅞	16⅞
Trilon Finl A	17¾	18
Trimac	8½	8¼
Trizec A	13⅞	13½
Unicorp A	0.65	0.70
Woodward's Ltd	3.20	3.15

TSE 300 Index : 3515.40
Previous : 3522.88

Zurich

	Close	Prev.
Adia Intl	881	893
Alusuisse	1100	1105
Leu Holdings	1830	1700
Brown Boveri	4820	4840
Ciba Geigy	2940	2950
CS Holding	2030	2040
Elektrow	2810	2810
Fischer	1390	1420
Interdiscount	3150	3200
Jacobs Suchard	8500	8500
Jelmoli	1600	1570
Landis Gyr	1085	1100
Moevenpick	4220	4230
Nestle	8630	8680
Oerlikon-B	462	461
Pargesa Hld	1270	1290
Roche Holding B	4925	4935
Safra Republic	92	92
Sandoz	2290	2280
Schindler	5150	5200
Sulzer	435	430
Surveillance	7580	7600
Swissair	790	790
SBC	333	332
Swiss Reinsur	553	582
Swiss Volksbank	1330	1325
Union Bank	3580	3590
Winterthur	3890	3890
Zurich Ins	2200	2190

SBS Index : 639.10
Previous : 631.70

NASDAQ

Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. *This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.*

Natwest Profit Fell 77% in First Half

Compiled by Our Staff From Dispatches

LONDON — National Westminster Bank PLC, Britain's second-largest bank, said Tuesday that the economic downturn in Britain and the United States depressed its pretax profit by 77 percent in the first half as bad debt charges more than doubled.

Pretax profit plunged to £101 million ($172 million) in the first six months of 1991 from £431 million a year earlier.

The results boosted Natwest's shares, however. Despite the decline, the pretax figure exceeded analysts' expectations for a profit of £40 million to £60 million. Furthermore, the bank calmed market nerves by saying it had no plans to issue stock to raise capital, as some analysts had expected.

Natwest's shares rose 9 pence to 336 pence on London's stock exchange.

The bank's provisions for bad and doubtful debts rose by 112 percent from last year's first half to £902 million in the latest period. It also said it had made a £12 million provision for exposure to the scandal-hit Bank of Credit & Commerce International. Natwest said the size of the provision was based "on the latest financial information available" but did not elaborate.

"The impact of the level of provisions on our interim results has been severe," said the bank's chairman, Lord Alexander. "However, the underlying performance of the core businesses is strong and we continue to take steps to ensure that the group emerges from the current recession strongly placed to grasp new opportunities."

He said the bank had made cost reduction a high priority and had pruned its work force, shedding 2,600 jobs in the last six months.

The bank's U.S. offshoot, National Westminster Bancorp Inc., saw its pretax loss widen sharply to £154 million ($263 million) in the first half from £49 million last year.

Results were hit by problems in the real estate market in the Northeastern states and the effect of recession on commercial customers.

During the first half, Natwest appointed its board member responsible for international business, John Tugwell, as chairman and chief executive of Bancorp. It also made other changes in Bancorp's management and injected $450 million of equity capital.

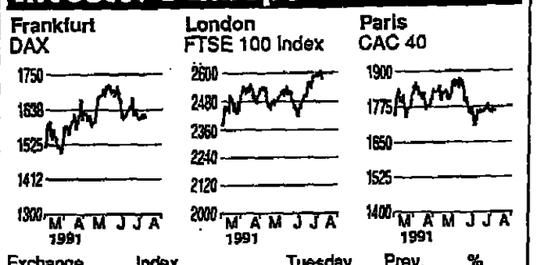
The bank maintained its interim dividend at 6.125 pence a share, and Lord Alexander ruled out any intentions for a share offering.

"We have appropriate flexibility in our balance sheet to accommodate future growth and we see our medium-term plans being fulfilled through normal capital raising and retentions," he said. "We have no plans for a rights issue."

Natwest also said it had appointed Sir Michael Angus, the chairman of Unilever PLC, as its new deputy chairman.

(Reuters, UPI)

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	92.60	93.10	-0.54
Brussels	Stock Index	5,738.70	5,732.35	+0.11
Frankfurt	DAX	1,611.90	1,622.03	-0.62
Frankfurt	FAZ	670.92	673.33	-0.36
Helsinki	HEX	1,004.60	1,005.30	-0.07
London	Financial Times 30	1,989.10	1,999.40	-0.52
London	FTSE 100	2,573.00	2,585.00	-0.46
Madrid	General Index	271.99	275.45	-1.26
Milan	MIB	1,110.00	1,117.00	-0.63
Paris	CAC 40	1,759.53	1,762.22	-0.15
Stockholm	Affarsvarlden	1,071.70	1,094.20	-2.06
Vienna	Stock Index	522.48	525.34	-0.54
Zurich	SBS	629.10	631.70	-0.41

Sources: Reuters, AFP International Herald Tribune

AT&T Seeks Foreign Growth

Reuters

PARIS — The chairman of American Telephone & Telegraph Co., Robert Allen, said here Tuesday that he would like to see his company's activities outside the United States reach half of the group's sales.

"We do not disclose our objectives region by region but I would like foreign operations to represent 20 to 25 percent of our total turnover between now and the middle of the decade and close to 50 percent by the end of the century," Mr. Allen told the French financial daily La Tribune de l'Expansion in an interview.

Foreign activities now account for about 16 percent of AT&T's sales.

Mr. Allen said there were great opportunities for growth in Spain and Italy, but he added that, in absolute terms, less-developed regions offered more opportunities.

"They are less equipped, have less-developed markets and fewer local suppliers," he said.

Business is also opening up in Eastern Europe, and AT&T has just signed a $100 million contract in Poland, he said. In addition, AT&T recently opened an office in Prague, joining the multimillion dollar battle for contracts to modernize Czechoslovakia's outdated telephone system.

Mr. Allen said he did not see AT&T venturing into long-distance telephone services in Europe, mainly because of the problem of conflict with several local telecommunications services already supplied by AT&T.

Despite setting the high growth targets, Mr. Allen said AT&T had no plans to follow up its takeover of NCR Corp. with acquisitions in Europe and Asia.

"We are not eyeing any foreign company right now," he said. "We have enough work absorbing and integrating our acquisition. It would be irresponsible to dream of proceeding with another major operation."

AT&T said last month its merger with NCR was moving rapidly and that NCR would soon start recruiting AT&T computer systems employees.

Nixdorf Is to Cut 3,000 Jobs

Reuters

MUNICH — German computer maker Siemens Nixdorf Informationssysteme AG said Tuesday it would slash 3,000 of its 51,000 jobs as part of a program to save 600 million Deutsche marks ($345 million) by the end of 1992.

SNI, owned by Siemens AG, announced the move in a statement after a meeting of its supervisory board. It said measures were already being implemented to cut 1,000 jobs in Spain, France and Britain.

In Germany, SNI said it would be forced to close its finishing facilities in Berlin, which currently employ 600 workers. But it said it had created 1,000 other jobs in Berlin and Eastern Germany since Oct. 1, 1990.

SNI had previously said it planned to reduce its work force to around 50,000 but the cuts are now more extensive.

It said the cost-cutting plan was part of the second phase of the merger of Siemens' computer division and Nixdorf Computer AG.

The first phase of the plan for the new company was "to make SNI functional as soon as possible in terms of a competent customer service, the second phase aims to optimize and rationalize the new company's resources," SNI said.

Scotch Whisky Firm Bids for Rival

Reuters

LONDON — The Scotch whisky distiller Whyte & MacKay made a £286 million ($488 million) cash offer Tuesday for a rival company, Invergordon Distillers Group PLC, in a bid to create Scotland's third-largest whisky maker.

A statement from merchant bank Kleinwort Benson, which is acting on behalf of Whyte & MacKay, said the offer valued Invergordon shares at 225 pence each.

The shares soared 70 pence to 233 pence on the news.

Glasgow-based Whyte & Mackay, a leading distiller, blender and marketer of Scotch whisky dating back to 1844, is a subsidiary of Gallaher Ltd., which is 100 percent owned by American Brands Inc.

The chairman and chief executive of Whyte & Mackay, Michael Lunn, said in a statement he had encountered some difficulties since approaching Invergordon three weeks ago, and was cautious about his prospects of success in the bid.

"The Board of Whyte & MacKay believes that Invergordon shareholders should have the opportunity to consider its proposals and hopes that the Invergordon board will support the offer," he said.

The merged business would rank as the third-largest participant in the Scotch whisky industry.

Invergordon, whose brands include Isle of Jura single malt, Glayva Liqueur and The Original Mackinlay blended whisky, had no immediate reaction.

Kleinwort Benson said a merger was in the interests of both sides because the world market for Scotch whisky had declined. Sales of Scotch fell 2.1 percent in 1990.

"The merged business, which would be based and managed in Scotland, would rank as the third-largest participant in the Scotch whisky industry, as measured by world sales volume, and would be capable of competing more effectively in the international drinks market," its statement said.

White & MacKay employs 750 people and its principal whisky brands are Whyte & MacKay Special Reserve, The Claymore, The Dalmore Single Malt and Crawfords 3 and 5 Star Scotch whiskies.

It also owns Vladivar vodka and the Four Bells rum brand.

It made a pretax profit of £17.5 million on sales of £151.6 million in the 11 months ended Nov. 30, 1990.

Invergordon was publicly floated in May last year at 135 pence a share after a management buyout team took control from Hawker Siddeley Group PLC.

One Bidder to Get East's Interhotel

Reuters

BERLIN — Most of the Interhotel chain, the most valuable asset in East Germany's old communist economy, is likely to go to a single buyer, a source at the Treuhand agency said on Tuesday.

More than 50 investors have shown interest, but many only wanted four or five of the 35 luxury hotels.

Treuhand hopes to sell Deutsche Interhotel AG for around 3 billion Deutsche marks ($1.7 billion).

PEUGEOT: *Leaving U.S. Market*

(Continued from first finance page)

been "high relative to other manufacturers."

He also observed that Peugeot's dealer network in the United States, after the very modest performance of the previous standard-bearer, the 505, had cooled on the Peugeot make.

"Peugeot was typically a fourth brand, behind a dealer's other European or American makes," he said.

"It was usually relegated to a small, dusty corner of the showroom."

Peugeot has sent a letter informing its 151 American franchisees of the decision.

"We will continue to ship cars that are already in the pipeline, and our dealers still have an inventory of cars to sell," said Kim Derderian, of Peugeot Motors of America Inc. in Lyndhurst, New Jersey.

Ms. Derderian said Peugeot's American operations would continue to supply parts and service for the 60,000 Peugeots she estimated were still on the road in the United States.

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Israel Finds Doctor for Sick Economy in Free-Market Banker

By Sylvia Nasar
New York Times Service

NEW YORK — The Israeli economy is at a crossroads, and the man chosen to lead it out of the socialist wilderness is a well-connected expatriate economist who favors hard money and free markets.

Jacob Frenkel, 48, is to become head of the Israeli central bank and the government's top economic adviser on Aug. 15 — the "compass and conscience," as one former governor of the Bank of Israel put it, of the country's economic policy.

Mr. Frenkel, chief economist at the International Monetary Fund in Washington, spent most of his academic career in a center of laissez-faire thinking, the University of Chicago economics department.

But Mr. Frenkel is no ideologue. He points fondly to a giant bust in his office of John Maynard Keynes, the ground-breaking British economist who was an opponent of laissez-faire policies and the patron saint of government interventionists. And he prides himself on being a pragmatist.

The appointment of a respected professional with no apparent political ties is widely seen as a sign that Israel's politically gridlocked government is still committed to economic restructuring.

Although Israel has thriving private enterprises, its welfare services swallow up nearly half the nation's gross national product. The government controls a big chunk of industry. And Israel's labor market, dominated by big union federations, is hamstrung by restrictive practices. The result: too little growth and too much inflation in the last couple of decades.

In early July, a fact-finding mission from the International Monetary Fund complained that the government of Prime Minister Yitzhak Shamir was not moving fast enough with its economic program.

Mr. Frenkel made it clear that he shared these concerns. "Between the IMF team and Israeli economists," he said, "there is complete agreement on the key principles."

The IMF team said the Israeli economy is growing briskly. Some economic changes, especially freeing up financial markets, eliminating government subsidies and lowering import barriers, are under way.

"Things are moving in the right direction," said Michael Bruno, Mr. Frenkel's tough-minded predecessor. "Too slowly, but there is an improvement, nonetheless."

What makes economic change a burning issue these days is that Israel must create hundreds of thousands of new jobs to make room for the flood of new Soviet émigrés — as many as 1 million. If the economy cannot absorb the émigrés, more than 200,000 of whom have already arrived, the nation risks losing a vital human resource that could fuel future economic growth.

Recently, unemployment has reached almost 10 percent and, more likely than not, will head even higher.

Israelis worry that, without radical changes, job growth will be so sluggish that more Soviet Jews will be discouraged from coming or that young Israelis will leave.

In Mr. Frenkel's view, making Israel more attractive to foreign investors, selling state-run companies and loosening labor-market restrictions deserve top priority as a way to encourage job growth in private enterprise. His position is that Israel should avoid establishing big new state job programs that create deficits and, ultimately, higher inflation.

Because Israel expects the refugees to arrive within a few years, it intends to borrow abroad much of the money it will need. To improve the loan terms, Israel reportedly plans to ask the United States for $10 billion in loan guarantees.

Icahn Reaches an Accord With TWA Bondholders

New York Times Service

NEW YORK — Carl C. Icahn, the chairman of Trans World Airlines Inc., has reached an agreement with his company's senior bondholders, tying up a loose end in the deal struck last week.

The agreement late Monday was with holders of $65 million in equipment-trust certificates on which TWA defaulted in February.

Holders are to receive $16.5 million immediately and an additional $16 million once TWA's various creditors consent to an arrangement for an expedited bankruptcy filing.

"If everything goes perfectly, they could be in and out of bankruptcy in 60 days," said Stephen A. Kaplan, a lawyer who represents the certificate holders. "There are only about a couple hundred things that could go wrong."

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Japan Declines to Prosecute Brokers

By James Sterngold
New York Times Service

TOKYO — A top Finance Ministry official has said that the government will not prosecute Japan's scandal-ridden securities houses for creating billions of dollars worth of bogus securities trades, despite ample evidence of improper activities.

Nobuhiko Matsuno, head of the ministry's securities bureau, said at a briefing Monday that the trades, which were used to disguise improper payments to some clients, appeared improper themselves. But he said the government would not use one of its most potent legal weapons to prosecute the firms because of a technicality in the way the securities were traded.

For tax purposes, much of the trading took place over-the-counter in London. Mr. Matsuno said that because the trading did not take place on a formal exchange, it was impossible to determine if the trading was really conducted at artificial prices.

"We didn't have a real market, so we didn't have any market prices," Mr. Matsuno said. "So theoretically, securities firms can sell or buy at any price."

This was the second major loophole the Finance Ministry has opened for the securities houses.

First, the ministry maintained it could not prosecute the firms for compensating big, favored clients for investment losses because, although the law prohibits promising loss-compensation, it does not expressly ban making the payments.

The firms have not admitted to providing advance guarantees, and the ministry seems to have taken them at their word, in spite of the pervasive pattern of compensation.

But Japanese securities laws do prohibit creating fraudulent trades. The laws were written by American Occupation authorities after World War II and are similar to U.S. anti-fraud statutes, which have been an important enforcement weapon for the Securities and Exchange Commission.

The securities houses have admitted that, to conceal the improper compensation, they concocted bogus trades for favored customers; the firms would sell securities to their clients at an artificially low price and then promptly repurchase them at an artificially high price.

The trades generally involved warrants issued by Japanese companies in the Euromarket, a business that boomed with the Finance Ministry's encouragement in the latter half of the 1980s.

The warrants, which give the holder the right to purchase shares in the issuer at a preset price within a given time period, were often denominated in foreign currencies.

Securities houses have maintained that the prices at which they traded were not far from the warrant prices quoted among dealers in London, Mr. Matsuno said. He added that this was proof enough for the ministry that no illegal activities had taken place.

He added that some of the compensation was provided through rigged trades in the Japanese government bond market. Because it is permissible for prices in this market to be quoted in a fairly wide band of a couple percentage points, brokers merely sold at the bottom of the range and bought the bonds back at the top.

"The customers always got the benefit of these trades," Mr. Matsuno said.

■ Smaller Brokers Fined

The Japan Securities Dealers Association fined 13 second-tier brokerages Tuesday for compensating clients, Agence France-Presse reported from Tokyo. The association has already fined Japan's Big Four houses.

A fine of 5 million yen ($36,400) was imposed on each firm that paid out 1 billion yen or more, and a fine of 3 million yen on those that extended less than that amount.

Newspaper Says That Hashimoto Intends to Resign

Compiled by Our Staff From Dispatches

TOKYO — Finance Minister Ryutaro Hashimoto has decided to resign once he has pushed through measures to guard against a recurrence of Japan's financial scandals, a newspaper said Tuesday.

Mr. Hashimoto, who had often been mentioned as a likely candidate for prime minister, has been under pressure to resign over scandals involving major stock brokerages and banks.

The mass-circulation Yomiuri Shimbun reported that his resignation might come later this month.

The Tokyo stock market's Nikkei 225-share index fell 368.29, or 1.5 percent, to close at 23,464.96 after the news report.

Mr. Hashimoto shrugged it off. Speaking to reporters, he said he was trying his best to find out what had happened in the recent scandals, and this was more important to him than the question of whether he stayed in office.

Asked if he was still ready to take responsibility for getting a revision of the Securities Exchange Law through the current 61-day legislative session, the finance minister said: "How can I change my mind on the issue?"

The front-page story quoted unidentified government sources as saying Mr. Hashimoto's decision was accelerated by the resignation of a top aide over the weekend.

Toyoki Kobayashi, Mr. Hashimoto's senior secretary, resigned after acknowledging he arranged 1.27 billion yen ($9.3 million) in questionable loans for associates from Fuji Bank.

Some commercial banks, notably Fuji and Tokai, have said their employees issued false deposit certificates and statements to customers who used them as collateral.

In the other big scandal, Japan's leading brokerages paid $1.3 billion to favored clients to compensate them for investment losses.

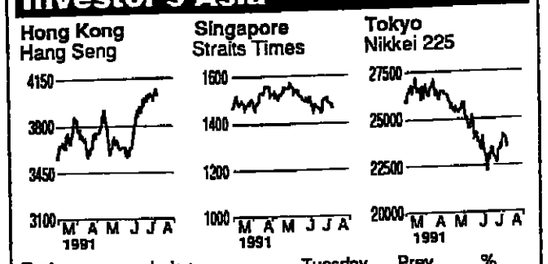
Mr. Hashimoto has promised to crack down on the improper dealings of the financial industry but has resisted growing calls to establish an independent regulatory body to oversee the stock market.

On Tuesday, however, Prime Minister Toshiki Kaifu said such an organization may be needed.

The stock scandal "occurred despite various provisions to protect against it, so it may be necessary to consider establishing a separate organization from the Finance Ministry," Mr. Kaifu said in Hiroshima.

(AP, Reuters, AFP)

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	4,021.27	4,063.01	-1.03
Singapore	Straits Times	1,463.97	1,465.04	-0.07
Sydney	All Ordinaries	1,579.30	1,574.90	+0.28
Tokyo	Nikkei 225	23,464.96	23,833.25	-1.55
Kuala Lumpur	Composite	587.37	593.16	-0.98
Bangkok	SET	704.95	709.35	-0.62
Seoul	Composite Stock	763.10	758.18	+0.65
Taipei	Weighted Price	4,887.03	4,881.65	+0.11
Manila	Composite	1,011.88	1,017.87	-0.59
Jakarta	Stock Index	332.76	334.01	-0.37
New Zealand	NZSE-40	1,440.10	1,451.00	-0.75
Bombay	National Index	Closed	807.55	-

Sources: Reuters, AFP

International Herald Tribune

Malaysia Boosts Short Rates to Contain Inflation

Reuters

KUALA LUMPUR — Malaysia's central bank borrowed aggressively in the interbank market Tuesday, pushing up interest rates in a clear signal it was ready to act tough to cap rising inflation, analysts said.

Interbank rates shot up around 30 basis points, or hundredths of a percentage point, after Bank Negara snapped up more than 200 million ringgit ($72 million). The size of the move surprised bankers and sent stock and bond prices tumbling.

Bank Negara also intervened in the foreign exchange market, selling about $130 million for ringgit at rates between 2.77 and 2.78 ringgit to the dollar to prop up the local currency.

"This is a new phase in the tightening up of liquidity," said Victor Lye, investment analyst at Crosby Research Ltd. "At last, we are seeing some strong action to curb inflation."

A weakening ringgit caused in part by a widening current account deficit, heavy consumer spending, capacity constraints and a tight labor market have sent consumer prices soaring in Malaysia.

The year-to-year inflation rate rose to 5.1 percent in June from 4.3 percent in May, figures released last week showed. Inflation is officially forecast to run at 4.5 percent for 1991, up from 3.1 percent last year, but some analysts said it could exceed 5 percent.

"The fact interest rates are higher is not unexpected given concerns about inflation," said Paul Storey, head of research at Mohaiyani Securities Sdn Bhd.

Money market dealers were surprised Bank Negara was so aggressive.

The average three-month interbank offered rate ended at 7.72 percent, up from 7.39 percent on Monday.

Bond dealers were shocked and upset because the move came just one week after the central bank had issued the second government bond of the year, an eight-year issue of 800 million ringgit.

"Prices plunged after Bank Negara went into the money market," a senior bond dealer said.

The new bond was quoted between 99.70 and 99.85 after the central bank's action on Tuesday, down from a range of 100 to 100.20 on Monday.

Australian Train Project Derailed

Compiled by Our Staff From Dispatches

SYDNEY — The Very Fast Train project that would have linked Australia's major population centers received what could be a mortal blow Tuesday in a government decision ruling out tax concessions for the builders.

Broken Hill Proprietary Co., leader of the consortium that planned to develop a high-speed rail link between Sydney, Canberra and Melbourne, said it was suspending indefinitely all work on the project, expected to cost 10 billion Australian dollars ($7.8 billion).

Similar in concept to France's *Train à Grande Vitesse* and Japan's Bullet Train, it would make the 850-kilometer (530-mile) trip in three hours at speeds up to 300 kilometers (190 miles) per hour.

BHP is the major partner in the VFT joint venture, which also includes the Japanese construction company Kumagai Gumi, transport group TNT Ltd. and Foster's Brewing Group Ltd.

But Treasurer John Kerin said that although the government acknowledged the potential commercial benefits from the development, it had decided "there is no case for special taxation treatment."

Sydney and Melbourne, with populations greater than three million, are Australia's biggest cities; Canberra, which lies between the two, is the capital. They are connected by an outmoded rail service that takes 12 to 13 hours and whose passengers are being lured away by increasingly cheap and efficient airline services.

(AFP, Reuters)

Fujitsu Wins East Asia Cable Project

By Michael Richardson
International Herald Tribune

SINGAPORE — Investors in a new undersea fiber-optic cable linking five nations in East Asia awarded a contract Tuesday worth $315 million to Fujitsu Ltd. of Japan to develop the high-density telecommunication system.

When finished in July 1993, the Asia Pacific Cable system will be able to carry up to 90,000 telephone calls simultaneously between Singapore, Malaysia, Hong Kong, Taiwan and Japan.

Singapore Telecom, an agency of the Singapore government, is the largest of the nine international investors in the project. It has a 20 percent share.

The construction agreement and contract were signed Tuesday in Stratford-upon-Avon, Britain.

Wong Hung Khim, president and chief executive officer of Singapore Telecom, said the new system would offer customers, especially businesses, a cost-efficient voice and data transmission service.

He said that the new East Asian system would connect with other fiber-optic submarine networks linking Southeast Asian countries and other parts of the globe.

Fiber-optic cables, which transmit laser-generated pulses of light through glass fibers barely larger than a strand from a spider's web, can carry many more simultaneous calls than older copper cables.

The clarity of the signal on fiber-optic cables is also greater than with copper cables, an important consideration for computer-generated transmissions in high-tech Eastern Asia.

Taiwan to Spend Reserves

Reuters

TAIPEI — Taiwan will use its huge foreign exchange reserves, the world's largest, to finance economic development plans.

Prime Minister Hau Pei-tsun instructed government officials on Tuesday to utilize the nation's reserves, which total $74 billion, to finance imports of machinery and other capital goods. No further details were given.

Under a six-year development plan starting this year, Taiwan will spend about $300 billion on communications, ports and pollution control.

The central bank governor, Samuel Shieh, said in June that Taiwan had decided in principle to use its foreign-exchange reserves to finance the six-year plan.

Canberra to Protest New U.S. Wheat Sale

Compiled by Our Staff From Dispatches

CANBERRA — Australia will step up protests against subsidized U.S. wheat sales following Washington's latest offer of cheap wheat, this time to Yemen, one of Australia's traditional markets.

Foreign Minister Gareth Evans is expected to express concern at a meeting here Wednesday with the U.S. assistant secretary of state for East Asia and the Pacific, Richard Solomon, government officials said.

Trade Minister Neal Blewett said Tuesday the latest U.S. offer of 300,000 tons of subsidized wheat to Yemen was a big blow after other recent American sales.

The amount is double the 150,000 tons the United States has offered Yemen in the past few years.

Mr. Blewett said Washington had pledged that the United States would not harm Australia's interests. But in the last six weeks the United States had undercut Australian grain sales in Kuwait and China, claiming they were aimed at countering subsidies by the European Community.

Mr. Blewett said the latest move was the most damaging yet, occurring where "the traditional market is clearest." Australia has held 60 percent of Yemen's wheat market in the last five years.

The United States has received an assurance from Yemen that it will continue buying grain from Australia, Mr. Blewett said.

Australian farmers were forced to accept a 50-year low price of 120 Australian dollars ($93.50) a ton in the year to the end of March to match U.S. and EC subsidized sales.

(Reuters, AFP)

AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

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SPORTS

At Last, Bubka Hits Pole Vault's Big 20

By Michael Janofsky
New York Times Service

It has reached the point in his remarkable career as a pole vaulter that Sergei Bubka of the Soviet Union seems only to be toying with his event, breaking world records so often as to render the next crowning moment barely more special than the last.

His evening's work in Malmo, Sweden, on Monday produced the latest in a string of more than two dozen such accomplishments, as he became the first vaulter to clear 20 feet outdoors with a winning height of 20 feet ¼ inch (6.10 meters) in the iDag Galan Grand Prix meet.

Bubka's stunning resume includes 13 world records outdoors and 14 indoors since 1984, plus victories at the first two world championships, in '83 and '87, and the '88 Olympics.

Only Paavo Nurmi, the legendary distance runner from Finland, had more world records to his credit, 29, stretched across a decade through 1931, but at a variety of distances, from the mile through 20,000 meters.

Bubka's has been a singular pursuit, through an arcane skill that requires an urgent need of speed, strength and courage to transform horizontal energy into vertical, then supreme body control to leave the bar high upon the uprights. For this record, it took three attempts, the last of the competition.

"It was not so easy for me to jump today as I have problems with my left leg," Bubka, who is 27, told reporters at the meet. "The first attempt was good, the second not so bad. The third was good enough."

He had complained of fatigue before the meet, having had only one rest day since competing in Monaco on Saturday.

Agence France-Presse

But so often when Bubka vaults, his spirit and the crowd's become one. After clearing two earlier heights, 18-8¼ and 19-2¼, which won the competition, he decided he would try the record height just once. A crowd in excess of 20,000 wanted more and chanted, "Bubka! Bubka! Bubka!" as he soared to the record.

Sergei Bubka's Record Progression

Indoor

5.81 meters (19 feet, ¾ inch) — Vilnius, U.S.S.R., Jan. 15, 1984
5.82 (19-1) — Milan, Feb. 1, 1984
5.83 (19-1½) — Inglewood, California, Feb. 10, 1984
5.92 (19-5) — Moscow, Feb. 8, 1986
5.94 (19-5¾) — Inglewood, California, Feb. 21, 1986
5.95 (19-6¼) — New York, Feb. 28, 1986
5.96 (19-6½) — Osaka, Japan, Jan. 15, 1987
5.97 (19-7) — Torino, Italy, March 17, 1987
6.03 (19-9¼) — Osaka, Japan, Feb. 11, 1989
6.05 (19-10¼) — Donetsk, U.S.S.R., March 17, 1990
6.08 (19-11¼) — Volgograd, U.S.S.R., Feb. 9, 1991
6.10 (20-0¼) — San Sebastian, Spain, March 15, 1991
6.11 (20-0½) — Donetsk, U.S.S.R., March 19, 1991
6.12 (20-1) — Grenoble, March 23, 1991.

Outdoor

5.85 meters (19 feet, 2¼ inches) — Bratislava, Czechoslovakia, May 26, 1984
5.88 (19-3½) — St. Denis, France, June 2, 1984
5.90 (19-4¼) — London, July 13, 1984
5.94 (19-5¾) — Rome, Aug. 31, 1984
6.00 (19-8¼) — Paris, July 13, 1985
6.01 (19-8½) — Moscow, July 8, 1986
6.03 (19-9¼) — Prague, June 23, 1987
6.05 (19-10¼) — Bratislava, Czechoslovakia, June 9, 1988
6.06 (19-10½) — Nice, France, July 10, 1988
6.07 (19-11) — Shuzouka, Japan, May 6, 1991
6.08 (19-11¼) — Moscow, June 9, 1991
6.09 (19-11¾) — Formia, Italy, July 8, 1991.
6.10 (20-0¼) — Malmo, Sweden, August 5, 1991.

Bubka saluted the Swedish fans who cheered him on.

• Canadian sprinter Ben Johnson, who had to threaten court action to force organizers to let him run in Malmo, came in only third in the "B" 100-meter race, clocking 10.42 seconds. In the main 100 meters, world record holder Leroy Burrell beat fellow-American Carl Lewis. Burrell's time was 10.06 seconds, with Lewis at 10.13. *(AFP)*

The Rocker and the Rocketeer

International Herald Tribune

LONDON — Soccer is an addiction not lightly given up by players or by payers.

Toninho Cerezo and Elton John are from different beats. Cerezo is a throwback to the Brazil we all knew and loved, performing, at 36 and a half, as if soccer were still an expression of samba with a ball thrown in.

What he does with a football, we Brits whose ancestors gave Brazilians that ball, would love to be able to do. If you are English and you cannot make the ball dance, you might aspire to buy soccer involvement.

Elton John, rock musician extraordinaire, did that.

Rob Hughes

He built his hometown club Watford a status it had never known until, one year ago, choosing to sell up and walk away. He managed the first objective, but not the second.

On Monday he reclaimed a seat on the board, admitting it was a bigger part of his life than he had thought.

John's path crossed Cerezo's in London during a weekend in which the tall, mesmeric Brazilian demonstrated the class around which Sampdoria built the current Italian club champion.

ANY SPECTATOR, of any vintage, can see Cerezo still has it. He may be the oldest swinger in top class soccer, but he still moves like liquid gold.

Indeed, as the sport speeds up to the point where athleticism is the prime multi-million dollar asset, Cerezo, the son of a Belo Horizonte clown, revives the notion that in great players the body never moves faster than the brain.

During Sampdoria's 6-1 victory over West Ham United, a younger Brazilian, Silas, sparkled at Cerezo's side. Silas is quick, he ghosts into forward positions, he has delicacy of touch — and some say he has been bought to replace Cerezo.

Not yet, he won't, and maybe never. Silas is the sorcerer's apprentice, and the team's coach, Vujadin Boskov, says, "Cerezo knows when to accelerate, when to put on the brakes. When he's healthy, he is still capable of the most exuberant soccer on earth."

Indeed. When Cerezo decided the time was ripe, he strolled upfield to strike a goal for himself from 25 metres. It is an age since Cerezo, blamed for giving away a goal by which Italy ousted Brazil at the 1982 World Cup, played for his country; a long time since Brazil has had such a mature midfield controller.

Mature? When Londoners applauded Cerezo, the solemness that is his trademark melted into child-like laughter that seemed to touch every nerve in him.

This is his fix. Addiction, even with connotations it sometimes holds for pop stars and sporting prima donnas, is the right word. And Elton John suggested Monday that soccer offers more than anything else his money could buy.

"My world," he said of rock music, "can be very abnormal. There's a lot of sycophancy and not a lot of honesty. In contrast, I find players, directors and football fans treat me very well. I spent 16 years with Watford, and I needed to rekindle this passion."

WHAT JOHN, 44, did not speak of is the sensation that soccer stimulates even in the seriously wealthy. Gianni Agnelli admits to it; Silvio Berlusconi and Bernard Tapie know full well that, for all that their time might be more profitably put to business, soccer grips and holds them like a love child.

Put at its simplest, Elton John would give all he has to have been blessed with for the balance of mind and muscle that makes Cerezo a class act.

He is not alone: 10,000 of the world's highest-paid professional players would love it too, even those who have the youth that will not be Cerezo's much longer.

"I'm a lion," Cerezo mused some months ago, "a legend. I played in the days of Zico, of Falcão, I just don't rust."

It was said as a form of self mockery. At the time Cerezo was recuperating after a Greek tackle had broken his ankle and partially torn a knee ligament. That, and an earlier knee injury, reduced him to a dozen Sampdoria league games last season.

In the infirmary, he recalled the style and humanity with which Sampdoria's president, Paolo Mantovani, visited him during the previous injury. Mantovani, whose shipping fortune raised Sampdoria, scribbled on the back of a photograph in the ward a deal extending Cerezo's contract for a year.

CEREZO AND SAMPDORIA are wedded for as long as his career holds out. "We have now a team of stars," commented the striker Roberto Mancini, 26. "But Cerezo is the only one who is indispensable. Sampdoria without Cerezo just isn't Sampdoria."

He means in soul as well as style, for when the team is encamped, samba is the music of Sampdoria. A contagious fellow, Cerezo, as exemplified by the time the team bus hit Rome traffic and, literally dancing in the street, the Brazilian turned a jam into a jamboree.

Rome was his previous abode until A.S. Roma looked at his birth certificate and put the 31-year-old on the market. Sampdoria hesitated: Why would such a champion be available so cheaply at $450,000?

The answer is judgment. Roma deemed him past his prime, Sampdoria needed a rhythm-maker to dictate the flow of a too eager, too attacking a team.

That is soccer magic. It defies logic. When Mantovani took over Sampdoria, the aristocrats smiled benignly at his boast that he would turn the Genoa club into a team to beat them all.

Monday, Elton John capped his return with a lament that Paul Gascoigne and David Platt were leaving England for smaller Italian clubs. "It saddens me, seeing players advised to make appalling decisions," he said. "It would be like me signing for a Mickey Mouse record company just because they pay so many thousands up front. I'm not saying Lazio and Bari are Mickey Mouse clubs, I wouldn't want to insult them, but if I had the ability of Platt, I would go to Juventus."

Who wouldn't? Juventus did not pitch for Platt. Bari did, and that happens to be his opening to the best league in soccer.

John is entitled to his view, but so is the Matarrese family, the biggest construction business in southern Italy. They have the most modern-looking stadium in the world and, though this sounds like a song title coming on, president Vicenzo Matarrese is thinking: throw money at a dream, as Mantovani did in the north, and maybe Bari can build something big down south.

Rob Hughes is on the staff of the Sunday Times.

■ U.S. League Hangs On

An agreement on a lower salary cap has apparently saved the Major Soccer League for now, The Associated Press reported from Kansas City, Missouri.

Monday, the players' union agreed to a team salary cap of $525,000 for 16 professional players and another $25,000 that could go to professional or developmental players. Last year's team cap was $655,000 for rosters of 18 professional players.

Brown: They Loved Him, They Hated Him, They'll Miss Him

By Leonard Shapiro
Washington Post Service

WASHINGTON — Frank Ryan has a doctorate in mathematics, has been an athletic director at Yale University and is now a vice president at Rice. But he still cringes at some of his most memorable classroom experiences of all, sitting in the dark before practice as Paul Brown, his coach with the Cleveland Browns, dissected film of quarterback Ryan's performance the previous day.

"He laid you bare naked in front of the whole world," Ryan recalled Monday. "You'd be there, he'd stop the projector and put the lights on and look right through you, telling you how badly you had screwed something up. Everyone hated those sessions, but he always had a purpose for what he said, and no one ever made the same mistake twice."

Brown, 82, one of the great coaches in professional football, died Monday in Cincinnati from complications caused by pneumonia. Still active as part-owner, vice president and general manager of the Cincinnati Bengals, he never retired from the game he loved.

Brown was a genuine genius who won and won big at every level — from a high school coaching stint in Massillon, Ohio, where a stadium was named for him; to a national championship at Ohio State in 1942; to four straight titles in the All-America Conference with the team he started, the Cleveland Browns, to three National Football League championships and seven Eastern Division titles.

After being dismissed in 1963 by the new owner Art Modell, despite a record of 168-68-8, Brown returned in 1967 to found and coach the expansion Bengals of the American Football League. The AFL merged with the NFL in 1970, when the Bengals won the AFC Central Division. Brown coached Cincinnati to an 11-3 record in 1975, his last year on the field before becoming a full-time general manager as well as a powerful force in the NFL.

Brown will be remembered for producing a long line of head coaches who either played or coached for him — among them were Weeb Ewbank, Don Shula, Blanton Collier, Bill Walsh, Otto Graham and Mike McCormack — and for the innovations he brought to the game. For example, he was the first to have a printed playbook and the first to use "messenger guards" to get plays to the quarterback.

"When I was inducted into the Hall of Fame in 1984, Paul Brown presented me and gave me a copy of my first playbook," said McCormack, an offensive lineman under Brown in Cleveland for nine seasons. "When I first came into the league with the old New York Yankees in 1951, they would give you a secretary's shorthand notebook and you took your own notes. Not Paul. He had it all there for you."

Brown, inducted into the hall in 1967, called all the plays for his quarterbacks, including Graham, another Hall of Famer. McCormack recalled playing against the New York Giants in a game almost halted when fans spilled onto the field in the final seconds.

"The referees called us back from the locker room to finish it," McCormack said. "Our offense went out. Twelve guys. Even though we were only kneeling down with the ball, Paul wanted the messengers out there."

Brown was responsible for drafting Jim Brown out of Syracuse and setting up the schemes that made him the most feared runner in the game. He also paired Brown with Bobby Mitchell, now assistant general manager of the Washington Redskins, and that backfield combination was virtually impossible to contain.

"Paul Brown and Jim Brown respected each other," McCormack said. "I was at a dinner honoring Paul a few years ago that was really the first reunion between Paul and Jim. Jim got up and said to Paul, 'Everyone always said you and I had problems, but no one ever quoted me about that, and no one ever asked me.'"

Added Ryan: "I think Jimmy was a real challenge to Paul. He treated Jim a little different than the rest of us. He didn't dress him down in the meetings. He'd only criticize Jim when he figured Jim knew he knew anyway. But he knew how to handle everyone.

"One of the most wonderful days of my life happened a few years after I stopped playing. I was in Washington then and he was bringing the Bengals in to play the Redskins. I called him to try and meet him at the hotel. I got him on the phone and said, 'This is Frank Ryan.'

"He said, 'You mean my Frank Ryan.'

"That meant so much to me. It touches me to this day."

• To the 76,121 fans who showed up at Giants Stadium to see a replay of January's Super Bowl, only one thing remained the same: The New York Giants beat the Buffalo Bills again, this time by 23-17. Mainly, the exhibition Monday was for rookies and free agents trying to make the teams. *(AP)*

BOOKS

DOUGLAS HYDE: A Maker of Modern Ireland

By Janet Egleson Dunleavy and Gareth W. Dunleavy. 462 pages. $35. University of California Press, 2120 Berkeley Way, Berkeley, Calif. 94720.

Reviewed by Charles Sullivan

DOUGLAS HYDE (1860-1949) was one of the talented, energetic men and women who transformed Ireland from a weak and backward fragment of the British Empire to an independent country capable of pursuing its own destiny in the modern world. Hyde's early talents were linguistic and scholarly, but his aims were fundamentally nationalistic. "I was without doubt the first person into whose head it ever came to deanglicize Ireland," he said.

His new biography shows us that he was the first to write a book in modern Irish, the first to collect Irish folklore, the first to write a play in Irish and act in it himself, the first to address a mass meeting in Irish, and the first to go to "the poor people, the Macs and O's and the priests, and if they are for letting the language die — then let it and be damned to them." Revival of the Irish language meant revival of history and culture, pride and hope. Thus "deanglicization" would eventually lead to separation from Britain, politically and economically.

While he and others continued working with written Irish, Hyde founded the Gaelic League in 1893 so that the spoken language would also be emphasized. "There is no other way to revive Irish," he said, "than for a crowd of people to spread it." The Gaelic League grew rapidly and became increasingly influential. During a fund-raising tour of the United States in 1905, Hyde said: "We have worked a tremendous revolution in Ireland. It has no political significance yet. It is simply an intellectual fight at this stage. What it may lead to can be conjectured. . . . The English government is doing everything possible to suppress the movement. It wants a benighted Ireland."

If Hyde was truly not aware that his cultural revolution had political significance, the British certainly were, and so were many of the Irish. From the ranks of the Gaelic League came Patrick Pearse, Constance Markiewicz, Eamon de Valera and other heroes and heroines of the Easter Rising of 1916. Some of those who died were immortalized by Yeats; some of those who survived became leaders of the Irish Free State (1922) and the Republic that followed (1937). Although he played no part in the armed conflict with Britain, Hyde was a hero of another kind, and the Irish politicians took advantage of his popularity. In 1925 they appointed him (like Yeats) to the Free State Senate; in 1937 they unanimously chose him to be the first president of Ireland.

The authors, at their best when they stay closest to the texts of Hyde and his contemporaries, have brought to light an enormous amount of material, and have pieced it together so skillfully that one tends to forget they were not present at the times and places they describe.

Why, after all, did Hyde the Anglo-Irish linguist become for a time the most popular person in Ireland? His talent, energy and dedication had something to do with his success, obviously; but the evidence presented here seems to show that most of his audience really wasn't very keenly interested in learning the language or making it compulsory for their children. What they wanted to hear, what he told them repeatedly, what sparked their last and strongest fight for freedom, was that in spite of centuries of suppression and neglect, their cultural identity was still alive.

Charles Sullivan, assistant dean of the Graduate School at Georgetown University, wrote this for The Washington Post.

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	THE KITCHEN GOD'S WIFE, by Amy Tan	1	6
2	THE FIRM, by John Grisham	2	21
3	LOVES MUSIC, LOVES TO DANCE, by Mary Higgins Clark	5	13
4	HEIR TO THE EMPIRE, by Timothy Zahn	3	11
5	PARADISE, by Judith McNaught	6	6
6	BEAST, by Peter Benchley	4	6
7	PASTIME, by Robert B. Parker	7	2
8	OUTER BANKS, by Anne Rivers Siddons	17	2
9	OH, THE PLACES YOU'LL GO! by Dr. Seuss	10	71
10	AS THE CROW FLIES, by Jeffrey Archer	8	13
11	SKY MASTERS, by Dale Brown	14	2
12	DARKNESS, by John Saul	11	3
13	THE RUSTLERS OF WEST FORK, by Louis L'Amour	12	7
14	MAXIMUM BOB, by Elmore Leonard		1
15	FIRE SEA, by Maragret Weis and Tracy Hickman		1

NONFICTION

This Week		Last Week	Weeks on List
1	CHUTZPAH, by Alan M. Dershowitz	1	7
2	PARLIAMENT OF WHORES, by P.J. O'Rourke	2	7
3	IRON JOHN, by Robert Bly	3	37
4	WHEN YOU LOOK LIKE YOU PASSPORT PHOTO, IT'S TIME TO GO HOME, by Erma Bombeck	9	2
5	TOUJOURS PROVENCE, by Peter Mayle	5	5
6	FIRE IN TH_ BELLY, by Sam Keen	4	12
7	BOSS OF BOSSES, by Joseph F. O'Brien and Andrew Kurins	6	4
8	THE COMMANDERS, by Bob Woodward	7	12
9	A QUESTION OF CHARACTER, by Thomas C. Reeves	8	5
0	WOODY ALLEN, by Eric Lax	11	9
11	PETER LAWFORD, by James Spada		1
12	DAVE BARRY TALKS BACK, by Dave Barry	14	6
13	SILENT COUP, by Len Colodny and Robert Gettlin	10	9
14	COUNSEL TO THE PRESIDENT, by Clark Clifford with Richard Holbrooke		8
15	ILLIBERAL EDUCATION, by Dinesh D'Souza	13	11

ADVICE, HOW-TO AND MISCELLANEOUS

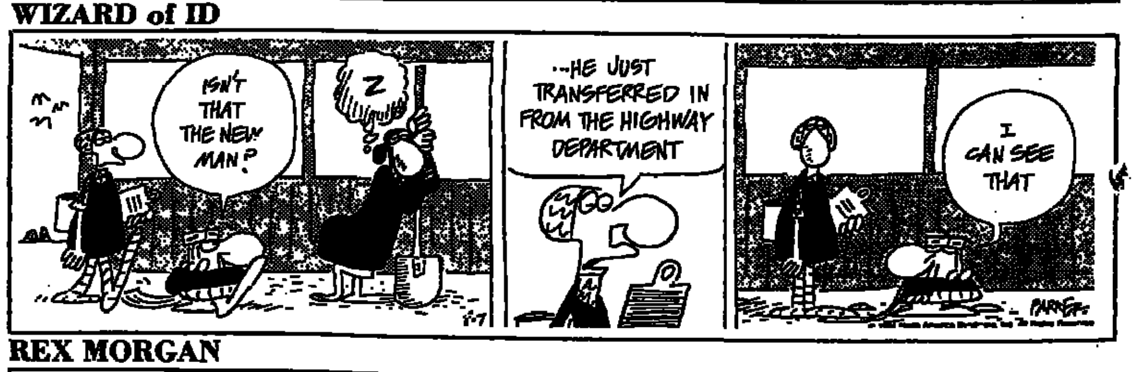
This Week		Last Week	Weeks on List
1	WHERE'S WALDO? by Martin Handford	1	39
2	DO IT! LET'S GET OFF OUR BUTS, by John Roger and Peter McWilliams	2	6
3	THE GREAT WALDO SEARCH, by Martin Handford	3	82
4	WEALTH WITHOUT RISK, by Charles J. Givens	5	119
5	FIND WALDO NOW, by Martin Handford	4	26

PEANUTS

BEETLE BAILEY

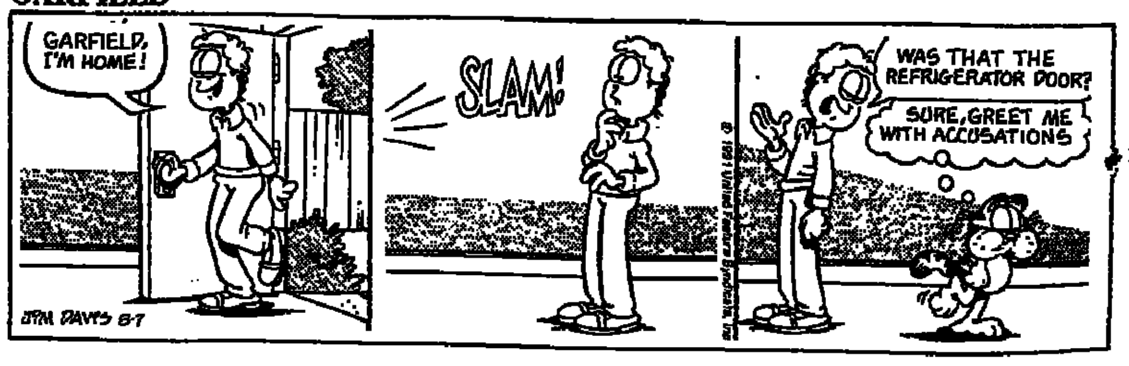
CALVIN AND HOBBES

WIZARD of ID

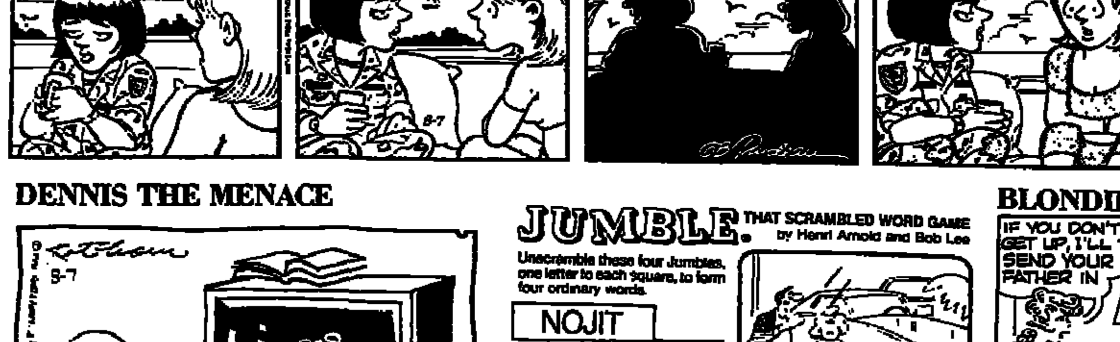


REX MORGAN

GARFIELD



DOONESBURY



DENNIS THE MENACE

"WATCH THIS, DEWEY... WHEN THAT FROG THINKS HE'S GOT OUR ATTENTION, HE'S GONNA TRY TO TEACH US TO COUNT OR SOMETHING."

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

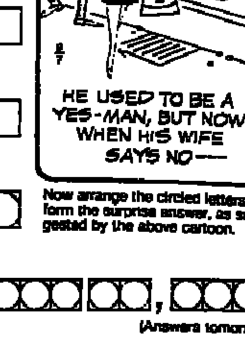
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NOJIT

TABOL

STINCH

YOSSIF



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: HE ◯◯◯◯ ◯◯, ◯◯◯

(Answers tomorrow)

Yesterday's | Jumbles: MOTIF CURVE FOURTH WIDEST
Answer: Careful when you "lend an ear," as it might get this— "CHEWED OFF"

BLONDIE

SPORTS

Cuba Runs The U.S. Ragged in Athletics

The Associated Press

HAVANA — A day after George Steinbrenner created a stir among the American delegation by suggesting that United States made a big mistake by not sending its best athletes to the Pan American Games, the U.S. track and field team embarrassingly failed to win a gold medal in nine events.

While the Americans suffered one of their bleakest days in international athletics competition on Monday, the Cubans reveled in one of their greatest, grabbing six golds.

"They did the party, and they deserve to celebrate," said Brazil's Robson da Silva, an upset winner in the men's 100-meter dash, beating heavily favored American Andre Cason 10.32 seconds to 10.35.

"They're at home and there's nothing like being at home," said Cason.

The Americans' best chance for a gold appeared to be in the men's long jump, with Llewellyn Starks. But Starks ran afoul of officiating and was second, behind Cuba's Jaime Jefferson, who leaped 27 feet, 1¾ inches (8.28 meters).

Starks' best official jump was 26-3½, but he felt robbed of a jump that was nearly 27-7. "I don't want it," Starks said of his silver medal, "because I deserve the gold."

Starks' ire was triggered when his second attempt was ruled a foul. While he was arguing vehemently about the call, an official erased the mark in the pit.

"Then he goes, 'O.K., it's no foul,'" Starks said. That concession, Starks said, was a virtual admission that the jump was allowable.

Four years ago in Indianapolis, the Americans won 26 golds, 15 silvers and 15 bronzes in 43 track and field events. In 14 events this time, the United States has one gold, six silvers and five bronzes, the Cubans eight golds, two silvers and two bronzes.

One of the best Cuban performances was by Ana Quirot, who broke her own meet record of 50.27 seconds in the 400 meters, winning in 49.61, the second-fastest time in the world this year.

Quirot said her victory was special because of the presence of President Fidel Castro. "From the minute I took the track, I thought of my people, my revolution, my commandant," she said.

■ U.S. Baseball Success

George Vecsey of The New York Times reported:

The only loud noises at Latin American Stadium on Monday came from the obligatory late-afternoon thunderstorms.

After Cuba's booming display of seven homers Sunday, the United States hit no home runs in its baseball debut, but achieved a 6-1 victory over the Dominican Republic.

Jeff Ware, a right-hander from Old Dominion University in Virginia, pitched a complete game, giving up six hits and one run in the fifth inning after the United States had a 5-0 lead.

The Americans will meet Cuba in an opening-round game on Sunday. The two teams are ultimately expected to meet for the gold.

■ A Rebound in Basketball

William C. Rhoden of The New York Times reported:

In the aftermath of the stunning loss to Brazil on Sunday night, the U.S. women's basketball team decided a quick revival was needed.

Katrina McClain, one of the cornerstones of a team that has become a fortress in international competition, called a team meeting.

"It was basically just an open meeting," she said. "We all just got together and expressed ourselves."

Monday, McClain scored 20 points to lead an invigorated U.S. team past Argentina, 97-40, in an elimination game.

Teresa Edwards scored 18 points and Venus Lacy, who did not play in Sunday's game, scored 13 points.

Mike Blake/Reuters

Liliana Allen, whose 100-meter triumph was one of six in athletics for Cuba, got a gold medal and a victory kiss from Fidel Castro.

Shea Showdown With Pirates Could Be Last Gasp for Mets

By Joe Sexton

New York Times Service

NEW YORK — The Pittsburgh Pirates, forgive the yawn, were due in Shea Stadium on Tuesday night. The Mets, forgive the laughter, still believe it's an event worth being excited about.

"There's a lot at stake," said Rick Cerone.

There's absolutely zero to be encouraged by, not after Monday night's 7-2 capitulation to the Chicago Cubs, a defeat that ran the losing streak for the Mets to six straight games and left their record over the last two weeks at 2-11.

"It's the worst slump I've ever been a part of with the Mets," said Dave Magadan, the first baseman.

The Mets, who hadn't been swept in a four-games series here since 1979, lost four games to the Cubs by a combined score of 28-9, their starting pitching savaged for 17 earned runs over the final three games, their offense a collection of empty threats.

"It stinks — that's pretty simple," said Gregg Jefferies, the second baseman. "We've got to get something going. But I have no idea where to start."

Manager Bud Harrelson found a place to hide.

Harrelson, after rookie starter Pete Schourek had been hit for an Andre Dawson home run in the fifth and additional runs in the sixth and seventh as a 3-1 game was blown into a 6-1 demolition, opted to duck the crowd's boos and sent pitching coach Mel Stottlemyre out to remove Schourek. "It didn't hurt not to go," said Harrelson, who conceded he had stayed in the dugout in order not to further provoke the fans.

"What's the solution?" Harrelson asked. "To win a game. It's been the solution in baseball for 100 years."

BASEBALL ROUNDUP

■ *In Monday's other games, The Associated Press reported:*

Reds 10, Dodgers 6: The Dodgers' road woes continued when their best pitcher, 14-game winner Ramon Martinez, couldn't hold a 3-0 lead. Glenn Braggs's first of two homers started a six-run third inning and Cincinnati went on to hand Los Angeles its fourth straight loss and 14th in the last 16 road games.

The Dodgers' lead over second-place Atlanta has dropped from six games to 2½ since July 28.

Braves 5, Giants 2: Tommy Gregg capped a five-run third-inning with a two-run homer in Atlanta. The Braves have won six of eight games.

Astros 2, Padres 1: Baseball's hottest team, the last-place Astros, made it eight straight victories as Craig Biggio's 12th-inning RBI single with two out beat visiting San Diego. It was Houston's fourth straight victory in its last at bat.

A Darling Debut in AL

Compiled by Our Staff From Dispatches

OAKLAND, California — At least good things are coming to a former New York Met.

In his American League debut, Ron Darling allowed two hits over seven innings and Brook Jacoby had three hits and batted in a run on Monday night to help the Oakland Athletics to a 3-0 victory over the Seattle Mariners. It was Darling's 100th victory.

Darling was traded from Montreal to Oakland last Wednesday for two minor league pitchers. He had been swapped to Montreal less than a month ago from the Mets, for whom he had pitched since 1982 but with whom he was only 5-5 this season.

"It does endear you with your new teammates when you get off to a good start," Darling said. "Feels better than the National League, that's for sure." *(UPI, AP)*

Twins 7, Angels 4: Brian Harper and Randy Bush hit two-run doubles in a five-run first inning, enough for Kevin Tapani to win the American League game in Anaheim, California. Tapani won his fourth straight start and has not walked a batter in 29⅓ innings.

Dave Winfield hit his 399th career home run, tying Al Kaline for 23d place on the all-time list.

Yankees 7, Tigers 5: Mel Hall homered and drove in five runs as visiting New York ended Detroit's five-game winning streak.

Royals 5, Red Sox 3: George Brett doubled twice for his 1,001st career extra-base hit and Kansas City rallied to beat visiting Boston.

In the bottom of the eighth, Brett's double to left field was mishandled by Mike Greenwell for an error, enabling Brian McRae to score the tying run from first base. Gary Thurman singled home a run and David Howard doubled home another.

Indians 9, Rangers 0: Eric King pitched a two-hitter and Mark Whiten hit two home runs, leading Cleveland in Texas.

Brewers 6, Orioles 5: Robin Yount doubled home the go-ahead run in the ninth as Milwaukee blew a 5-0 lead before winning in Baltimore.

Brady Anderson homered in the fifth to help the Orioles rally, and they tied it in the eighth on Juan Bell's sacrifice fly. For Milwaukee, Darryl Hamilton singled off Mark Williamson in the ninth and scored on Yount's double.

Politics Continue to Make Life Hard for South Africans Eager to Join the Running

By David Ottaway

Washington Post Service

KWASMASHAYILANGA, South Africa — The view from Willie Mtolo's home is one of serenity and splendor: rolling hills at the foot of Natal's towering Drakensberg Mountains covered with the golden stubble of pasturelands bathed in a cold winter sun.

The quiet on the Mtolo property stands in contrast to the turbulent uncertainty swirling around the life of one of South Africa's best black hopes for a medal at the Olympics next summer in Barcelona.

On July 25, the International Olympic Committee issued a formal invitation to South Africa to send a team to the 1992 Games. In a country that has been the pariah of the sports world since 1960 because of its apartheid policy, the invitation set off great rejoicing and brought visions of gold, silver and bronze medals to long-frustrated white and black athletes.

With a best time in the marathon of of 2 hours, 8 minutes and 15 seconds — 80 seconds off the world record — Mtolo is raring to run.

He has never been abroad; only rarely has he traveled outside his native Zululand. So he wants to warm up in a marathon this fall in New York, Chicago or Berlin.

But his plans are up in the air as national officials bicker over where and when athletes should go first as South Africa rejoins the international sporting community after 31 years.

"I'm very angry I can't go overseas. I'm at my best now, so I want to go now," Mtolo said as he drove recently to his hillside compound of mud-and-thatch huts in eastern Natal Province.

South African officials are at odds over whether their athletes should compete in the world track and field championships in Tokyo this month as a team. But the turmoil is part of the confusion as various sports rush to unify previously segregated associations and put together integrated teams.

Although the South Africans have been invited to the Tokyo competition, the International Amateur Athletic Federation, which runs the event, will not officially grant South Africa acceptance until it meets in Tokyo this month. The president of the IAAF, however, has urged South Africa to send a team.

Apartheid, the system by which the races have been systematically segregated, may legally be in its death throes, but its legacy of racial divisiveness and sharp inequalities is still alive. There is a veritable alphabet soup of acronyms representing a tangle of rival, and often still racially segregated, white, black and colored sports councils and commissions.

Last month, the South Africa Amateur Athletics Association, made up of three rival bodies, voted 9-to-5 not to accept an invitation to send a team to Japan. That has sparked a rebellion among impatient athletes, but few are ready to jeopardize Barcelona for Tokyo.

At the same time, the fragile unity among the half-dozen bodies making up the country's newly formed Olympic committee burst last weekend with the decision of the South African Council on Sport to pull out. The council opposes all participation in international sport until all traces of apartheid have vanished.

Added to the local feuding is the rivalry that has broken out between the International Olympic Committee and the IAAF over which will host the first South African team allowed back into international sports.

The IAAF president, Primo Nebiolo, has pressed to get the South Africans to accept an invitation to the world championships. Last week, the IAAF said that if South Africa didn't send a team to Tokyo, it risked continued isolation "for a very long time to come." It gave the South Africa Amateur Athletics Association until Aug. 15 to reconsider.

But the chairman of the nation's new Olympic Committee, Sam Ramsamy, a black, declined the invitation, saying it would be obscene for South Africa to rush back so fast into world competition when it doesn't have its sports house in order yet.

South Africa does not have a lot of medalist hopefuls for either Tokyo or Barcelona. Only 28 athletes are qualified to go to Tokyo and of these all but about 10 have decided they would rather skip Tokyo and start training for Barcelona.

A comparison of the best performances by South Africans to current world bests published July 21 in the Sunday Times of Johannesburg showed that only one South African athlete, Elana Meyer, ranks No. 1, in the women's 3,000 meters. Former Olympian Zola Budd Pieterse, who used to run with British citizenship, is No. 2 in the same event.

Mtolo, 28, whose given Zulu name is Bhekisizwe, has gotten so fed up with sport officials he's never met and hardly knows of deciding his fate that he put his feelings in a letter to a visiting delegation of the IAAF.

It appeared in The Star, Johannesburg's main English language daily, on July 7. "Because I am a black person, I have been a victim of apartheid but never in running," it said. "But now I find that I am a victim of post-apartheid.... There are too many people in my country that are saying one thing or another and they do not represent me or my fellow runners and this makes me very sad.

"I am capable of running a sub-2:08 marathon. I will not be able to do this forever. So I appeal to you now — let us run."

Mtolo's life is the stuff of which an African runner's wildest rag-to-riches dreams are made.

A cattle herder as a child, like his father who worked for a nearby white farmer, he didn't go to school until he was about 12. He can't remember precisely when it was, but then his father, Ndabazabantu, doesn't know how old he is either — maybe 61, maybe 68.

The school was 18 kilometers (11 miles) away; he began running to it up and down the hills of Zululand at an altitude of more than 7,000 feet (2,130 meters). "I think that's where it comes from," he said. "It was good training."

At 19, after Mtolo moved to the Durban area, he won his first regional race, a 14-kilometer run. Then, without a coach or proper training, he began entering marathons in 1984. He made his debut with an effort of 2:13, according to his current coach, Ray de Vries.

By 1987, Mtolo was was second to no one. He won the national title and kept it for two years.

De Vries said that to get Mtolo ready for the 1992 Olympics he needs to get him overseas, to prepare him for the "massive culture shock" of huge crowds, strange foods and the media spotlight. Mtolo simply repeats his refrain: "I just want to run."

■ IAAF Says No Individual Requests

The IAAF has rejected a request from 28 South African competitors to be entered as individuals in the world championships, Agence France-Presse reported from London.

"We can't accept individual applications," said IAAF spokeswoman Jayne Pearce. South Africa must enter a team to compete in Tokyo.

SIDELINES

Cricket Cup Welcomes South Africa

MELBOURNE (AP) — South Africa would be welcome to end its 21-year isolation from international cricket by playing in next year's World Cup tournament, organizers said Tuesday.

World Cup committee chairman Malcolm Gray said South Africa would be welcomed if a submission for the republic to play was approved by the International Cricket Conference. The World Cup will be staged in Australia and New Zealand in February and March.

South Africa was re-admitted into international cricket last month by the ICC after being ostracized in 1970 because of its apartheid laws.

Nigerian Basketball Players Missing

EDMONTON, Alberta (AP) — Four Nigerians who competed at the world junior basketball championships missed their plane home and some officials indicate the lure of being the next Hakeem Olajuwon may keep them here.

At least one of the juniors is being courted by an American university.

The most famous Nigerian player who turned professional is Olajuwon, who played for the University of Houston before becoming an NBA All-Star with Houston Rockets. "Hakeem, that is who they all look up to," said Arnold Nett, a host who was attached to the Nigerian team.

Hope Knudsen of the tournament organizers said that two players, forward Sylvester Nikoro and guard Ejike Medos, were constantly on the phone to American schools. "One boy was almost illiterate and another had what would be a Grade 4 or 5 education here," Knudsen said. "Yet these fellows are involved in negotiations with schools in the States."

For the Record

France's track cycling team had its preparation for next week's world championships in Stuttgart interrupted on Tuesday when the riders' bikes were stolen in Bordeaux. *(Reuters)*

Seles Explains And ITF Listens

The Associated Press

LONDON — The International Tennis Federation is examining medical documents that could explain Monica Seles's late withdrawal from the Federation Cup and possibly save her eligibility for the 1992 Olympics, an ITF spokesman said Tuesday.

Spokesman Ian Barnes said the doctor's report was received by the ITF president, Brian Tobin, on July 26, during the Federation Cup in Nottingham, England.

Seles pulled off the Yugoslav team two days before the Federation Cup started, saving she did not want to risk re-injuring shin splints. Playing in the Federation Cup is a prerequisite for the Olympics.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Toronto	60	46	.566	—
Detroit	55	50	.524	4½
Boston	50	55	.476	9½
New York	48	54	.471	10
Milwaukee	45	60	.429	14½
Baltimore	42	62	.404	17
Cleveland	35	69	.337	24

West Division

	W	L	Pct.	GB
Minnesota	64	43	.598	—
Chicago	59	45	.567	3½
Oakland	59	48	.551	5
Seattle	57	49	.538	6½
Texas	54	48	.529	7½
Kansas City	53	51	.510	9½
California	52	53	.495	11

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Pittsburgh	61	42	.592	—
St. Louis	56	48	.538	5½
New York	55	49	.529	6½
Chicago	52	52	.500	9½
Philadelphia	46	58	.442	15½
Montreal	43	61	.413	18½

West Division

	W	L	Pct.	GB
Los Angeles	58	46	.558	—
Atlanta	55	48	.534	2½
Cincinnati	52	51	.505	5½
San Francisco	50	54	.481	8
San Diego	50	55	.476	8½
Houston	45	59	.433	13

Monday's Line Scores

AMERICAN LEAGUE

New York 101 030 200—7 10 0
Detroit 010 002 010—5 8 1
Sanderson, Plunk (7), Guetterman (9) and Nokes; Terrell, Gleaton (5) and Tettleton. W—Sanderson, 11-7. L—Terrell, 7-10. Sv—Guetterman (6). HRs—New York, Mattingly (7), Hall (15). Detroit, Bergman (3), Whitaker (15), Fielder (32), Phillips (12).

Milwaukee 032 000 001—6 10 2
Baltimore 000 310 010—5 11 1
August, Machado (6), Lee (7), Henry (7), Nunez (9) and Surhoff; Smith, S.Jones (2), Frohwirth (6), Poole (8), Williamson (8) and Hoiles. W—Henry, 2-0. L—Williamson, 3-5. Sv—Nunez (4). HRs—Milwaukee, Stubbs (10). Baltimore, B.Anderson (2).

Boston 001 000 020—3 8 2
Kansas City 010 001 03x—5 9 0
Morton, Klecker (6), Fossas (8) and Marzano; Aquino, Montgomery (8) and Spehr. W—Montgomery, 2-4. L—Fossas, 1-2.

Cleveland 031 010 112—9 19 2
Texas 000 000 000—0 2 1
King and Skinner; K.Brown, Rosenthal (5), Jeffcoat (8), Rogers (9) and Rodriguez. W—King, 5-6. L—K.Brown, 7-9. HRs—Cleveland, Whiten 2 (8).

Seattle 000 000 000—0 2 0
Oakland 001 000 02x—3 12 0
Krueger, Swift (7), Comstock (8), M.Jackson (8) and Valle; Darling, Honeycutt (8), Eckersley (8) and Steinbach. W—Darling, 1-0. L—Krueger, 9-4. Sv—Eckersley (29).

Minnesota 500 000 200—7 9 0
California 110 001 001—4 8 1
Tapani, Aguilera (9) and Harper; Grahe, Beasley (8) and Parrish. W—Tapani, 9-7. L—Grahe, 1-2. Sv—Aguilera (29). HRs—California, Winfield (21), Gaetti (13).

NATIONAL LEAGUE

San Francisco 000 200 000—2 6 0
Atlanta 005 000 00x—5 8 0
D.Robinson, Beck (3), Downs (6), Oliveras (7) and Manwaring; Smoltz and Olson. W—Smoltz, 7-12. L—D.Robinson, 5-8. HR—Atlanta, Gregg (1).

Chicago 300 011 101—7 11 0
New York 100 000 001—2 7 1
Castillo and Wilkins; Schourek, Young (7) and Cerone. W—Castillo, 4-2. L—Schourek, 2-2. HR—Chicago, Dawson (19).

Los Angeles 102 010 200—6 9 0
Cincinnati 006 012 01x—10 13 1
R.Martinez, Gott (6), Crews (7), McDowell (8) and Scioscia; Rijo, Minutelli (7), Dibble (8) and Reed. W—Rijo, 8-2. L—R.Martinez, 14-6. Sv—Dibble (24). HRs—Cincinnati, Braggs 2 (10), Sabo (17).

San Diego 000 000 001 000—1 8 2
Houston 000 100 000 001—2 10 0
(12 innings)
G.Harris, M.Maddux (8), Rodriguez (8), Melendez (10), Andersen (12) and Santiago; Harnisch, Schilling (8), Wilkins (9), Henry (11) and Biggio. W—Henry, 3-0. L—Andersen, 3-3.

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Chunichi	49	31	1	.611	—
Yakult	49	37	1	.569	3
Hiroshima	47	33	7	.553	5
Yomiuri	49	42	0	.539	5½
Taiyo	36	49	1	.424	15½
Hanshin	25	57	0	.305	25

Tuesday's Results
Chunichi 5, Yakult 0
Yomiuri 4, Hanshin 2
Hiroshima 7, Taiyo 3

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Kintetsu	51	31	2	.619	—
Seibu	51	32	2	.612	½
Nippon Ham	42	42	2	.500	10
Orix	40	45	2	.471	12½
Daiei	38	43	0	.469	12½
Lotte	27	56	0	.325	24½

Tuesday's Results
Daiei 8, Nippon Ham 4
Orix 8, Lotte 1
Kintetsu at Seibu, ppd., rain

PAN AM GAMES

MEDALS THROUGH MONDAY

	G	S	B	Tot
Cuba	26	8	5	39
United States	5	11	12	28
Canada	2	5	9	16
Mexico	1	4	3	8
Colombia	2	1	4	7

Monday's Results
(all race distances in meters)

BASEBALL
Aruba 6, Antilles 4
United States 6, Dominican Republic 1
Nicaragua 5, Puerto Rico 4
Cuba 22, Mexico 0

BASKETBALL
Men
United States 91, Venezuela 66
Brazil 85, Canada 55
Women
United States 97, Argentina 40
Brazil 74, Canada 66

FENCING
Men's Individual Foil
Final
Gull Betancourt, Cuba, def. Elvis Gregory, Canada, 2-1.

FIELD HOCKEY
Men
Cuba 6, Jamaica 1
Canada 9, Barbados 0
Argentina 5, Chile 2
Trinidad 1, Guyana 0

TRACK AND FIELD
Men
100—1. Robson Da Silva, Brazil, 10.32 seconds; 2. Andre Cason, U.S., 10.35; 3. Jeff Williams, U.S., 10.48.
400—1. Roberto Hernandez, Cuba, 44.52; 2. Ian Morris, Trinidad, 45.24; 3. Jeff Reynolds, U.S., 45:81.
1,500—1. Jose Valente, Brazil, 3 minutes, 42.90 seconds; 2. William Burke, U.S., 3:43.04; 3. Daniel Bertolo, Canada, 3:43.71.
3,000 steeplechase—1. Adauto Domingues, Brazil, 8:36.01; 2. Ricardo Vera, Uruguay, 8:36.83; 3. Juan Ramon Conde, Cuba, 8:37.53.
Long jump—1. Jaime Jefferson, Cuba, 27 feet, 1¾ inches; 2. Llewellyn Starks, U.S., 26-3½; 3. Ivan Pedroso, Cuba, 26-1½.
Javelin—1. Ramon Gonzalez, Cuba, 259 feet, 7 inches; 2. Michael Barnett, U.S., 253-11; 3. Luis Lucumi, Colombia, 253-10.
Women
100—1. Liliana Allen, Cuba, 11.39; 2. Chryste Gaines, U.S., 11.46; 3. Beverley McDonald, Jamaica, 11.52.
400—1. Ana Quirot, Cuba, 49.61; 2. Ximena Restrepo, Colombia, 50.14; 3. Jearl Miles, U.S., 50.82.
High jump—1. Ioamnet Quintero, Cuba, 6-2; 2. Maria Garcia, Cuba, 6-¾; 3. Jan Wohlschlag, U.S., 5-10¾.

SOCCER
United States 1, Surinam 0
Honduras 3, Canada 1

SOFTBALL
Men
Antilles 4, Aruba 3
Canada 6, Bahamas 1
United States 6, Argentina 1
Mexico 5, Panama 0
Women
Canada 4, Antilles 1
Bahamas 12, Nicaragua 8
Cuba 10, Venezuela 1

TEAM HANDBALL
Brazil 31, Canada 18
Cuba 35, Argentina 12

WEIGHTLIFTING
Men
52 Kg Snatch
1. Humberto Fuentes, Venezuela (105.0), 231 pounds; 2. Hector Arzola, Cuba (105.0), 231; 3. Orlando Vazquez, Nicaragua (100.0), 220.
Clean and Jerk
1. Hector Arzola, Cuba (130.0), 286; 2. Orlando Vazquez, Nicaragua (127.5), 280.5; 3. Humberto Fuentes, Venezuela (125.0), 275.
56 kg Snatch
1. William Vargas, Cuba (122.5), 269.5 pounds; 2. Jose Farfan, Venezuela (107.5), 236.5; 3. Carlos David, Colombia (105), 231.
Clean and Jerk
1. William Vargas, Cuba (145), 319; 2. Jose Farfan, Venezuela (135), 297; 3. Carlos David, Colombia (135), 297.

FOOTBALL

NFL PRESEASON GAMES
Monday's Results
New York Giants 23, Buffalo 17
Tampa Bay 23, Cleveland 10

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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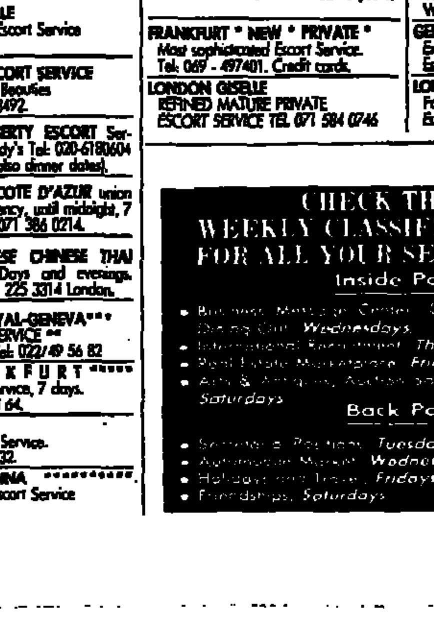

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OBSERVER

Supremely Correct

By Russell Baker

NEW YORK — Conservatives are having good sport with liberalism's tyrants of tolerance, also known as the PC crowd, where PC means "politically correct."

The university air is heady with tales of scholars terrorized for expressing the tiniest mouse of an idea disapproved by liberal politburos trying to stamp out Wrongthink and Wrongspeak.

Here is Professor C. Vann Woodward in The New York Review of Books deploring university surrender to these small-bore Lenins. He cites a professor's open letter to his college president reporting three separate incidents of PC terror:

"In one, members of his own faith accused him of assigning anti-Semitic readings from the Old Testament. In a second women students 'successfully sabotaged a seminar' with charges of 'emotional rape' and 'lethal misogyny.' And a third course 'almost collapsed' under abusive protests that he was racist and elitist."

□

It's not unusual for college students to behave deplorably or even for universities to humor them in it. What is odd about the PC people, though, is their dopey belief that people can be bullied into being kind, good and sensitive to each other, never speaking thoughtlessly to or thinking unkindly of people, whatever their race, religion, country of origin, sex or sexual habits.

Mostly the bullying is done with brutish language. Maybe this is natural in an age when most people would rather spend six hours in the stocks than be publicly accused of not liking dogs and children. So abusive epithets are used mercilessly on people whose words or ideas defy the dogma of goodness.

The abusive lingo has a stilted, ritualistic quality, as though handed down from ancient bureaucracies. This makes it comical, as the weary clichés of Communist discourse, like "tools of fascism" and "running dogs of capitalism," became comical because to speak them disclosed a mind that hadn't been aired in 40 years.

Standard PC epithets include "racist," "elitist," "sexist," "anti-Semite" and "homophobe," each carrying its own built-in exclamation mark. It's a language for people who talk at the top of their lungs. For language this overheated, it's a short step to such stunners as "Eurocentric authoritarian," "racist oppressors," "emotional rape" and "lethal misogyny."

The hypocrisy of justifying intolerance on the ground that it will create tolerance is a comic theme fit for Molière, and the conservatives are having a picnic exploiting it as evidence that liberalism has turned into tyranny. They conveniently ignore their own devotion to a tyranny of political correctness that has far greater impact than the college kids are likely to have.

□

For 10 years conservatives have been stacking the federal judiciary from steerage to captain's table with right-wingers. Since early Reagan, unless the Justice Department or White House found you politically correct, as defined by the conservative right, black robes were not your future.

To be politically correct for a Reagan-Bush court, the record had to show that when individual rights collided with government's, your sympathies lay with the government. This seems odd, considering the right's insistence on government's iniquity, until you reflect that individuals whose rights commonly come into conflict with the government's are likely to be the kind of individuals who lack all the social graces.

And of course you had to be a pretty sure bet to be anti-abortion to solve a Reagan-Bush political problem. Having denounced abortion to please their right wing and fearing defeat if they took the case to Congress, they had decided to use the courts to deliver for them.

□

Thus the present Supreme Court. It is now so firmly locked up for the mossbacks, and for years to come, that it probably doesn't matter whether Judge Thomas gives them another vote or not. The pieties notwithstanding, Supreme Court seats have long been treated as political prizes, and Reagan and Bush have observed the custom.

The Democrats, swallowing the pieties, have deceived themselves most grievously these past few years by failing to insist that a politically divided government is entitled to a politically divided court.

New York Times Service

Russian Literature Overdoses on Freedom

By Serge Schmemann
New York Times Service

MOSCOW — After breaking free from the choke-hold of communism, Russian literature finds itself gagging on a surfeit of oxygen.

Stacks of Solzhenitsyn's books sit unsold in kiosks. The thick literary journals so recently devoured by millions founder for lack of paper and new themes. Writers who shaped their art struggling against the old order, or serving it, find themselves without an anchor.

"Before, the writer's lament was, 'Oh, what I would say if I only could,'" said Viktor N. Malukhin, deputy editor of the literary journal Oktyabr. "Now he can, and he finds he has nothing to say."

Commercial publishing has mushroomed. New newspapers and journals still seek out unpublished classics, and Western pop culture is fostering new forms and ideas. In many ways, the plight of Soviet books reflects a normalization rather than a disruption. In the convoluted market of the past, books were cheap and rare, television was boring, newspapers were controlled, and anything with even a hint of forbidden truth was ravenously devoured.

Six years after glasnost first let loose a torrent of suppressed literature and forbidden themes, the thirst for violated taboos has been largely slaked, while television, videos, and a profusion of lively new newspapers and magazines have assumed their normal role as the primary source of information and entertainment.

With the introduction of something resembling a normal market, books are no longer a bargain or a rarity, and publishers have come to contend more with popular tastes than with censors.

"The biggest sellers are mysteries, adventures, Western detective novels, followed closely by how-to books," said Sergei L. Pashkin, a salesman at a used-book shop on Prospekt Mira. "We don't even bother with stuff like Uzbek literature or Lenin, and even the classics are sharply down. Solzhenitsyn and the other dissidents have long peaked — if they're going to spend 20 rubles for a book, people prefer Agatha Christie or James Chase."

Jack Manning/The New York Times

Klaus Reisinger/Black Star for The New York Times

Tatyana Tolstaya, above, who believes "we are between two cycles." Right, shoppers browsing at a Moscow bookstore.

Commercial considerations have also descended on the thick literary journals, whose powerful editors used to take massive subsidies and multimillion circulation for granted as they presided over the tastes and shape of Soviet letters.

"Our annual budget used to be 60,000 rubles," lamented Dmitri M. Urnov, editor of the scholarly Questions of Literature. "Now one issue costs that much." The monthly Novy Mir, long the most influential of literary journals, skipped four issues last year and stands to cut its circulation from 3 million to 200,000.

Both are direct victims of glasnost. Their printer was always Izvestia, the government newspaper, which has been compelled to channel ever more paper and time to publishing the record of the interminable parliamentary debates, pushing the journals aside.

Among writers and editors, however, the greater crisis of perestroika is that they find themselves suddenly stripped of the mission, the criteria that had been imposed on them by a totalitarian state that had both confined and defined their art.

"We've lost our point of reference," said Tatyana Tolstaya, a writer who exploded onto the Soviet literary scene in the first flush of glasnost and now spends most of her time teaching in the United States. "We don't know now, what is good?"

The plight is not unfamiliar in cultures emerging from repressive regimes, in which art often assumed the functions of a moral and even political opposition. In the Soviet Union, the struggle took on uniquely brutal forms. For 70 years, the Kremlin waged a relentless campaign to lobotomize one of the world's most fertile cultures and harness it to the service of the state under the canon of "socialist realism."

Whole generations of writers were silenced, humiliated, exiled, or murdered. Works hailed as masterpieces elsewhere in the world were furtively passed around the Soviet Union in typewritten folios. To have them was to risk a stretch in a labor camp.

With the onset of glasnost, a starved nation pounced voraciously on long-forbidden fruits, wading through thickets of taboos and gorging on everything from Vladimir Nabokov's "Lolita" through the religious philosophy of Nikolai Berdyayev and the horrors of Alexander Solzhenitsyn's "Gulag Archipelago."

"Liberal literature was enormously pleased with perestroika, and at its outset it played the role that it had long dreamed of playing: the role of a social prosecutor, judging society by the laws of morality and common sense," Viktor Yerofeyev, a writer and critic, wrote last year in a landmark article in Literaturnaya Gazeta titled "Wake for Soviet Literature."

"But the happiness proved short-sighted: perestroika proved to be too bottomless for liberal literature, and many works which only yesterday had seemed remarkably bold began to drown in this well."

Many rising writers, moreover, found themselves elbowed out or intimidated by the inundation of suppressed works. "How can contemporary literature compete with all the chefs-d'oeuvre of the past that are coming out?" asked Viktor I. Selyunin, a critic on the staff of Novy Mir.

The very pace of events, the general chaos and uncertainty that have seized Soviet society, have given temporary primacy to reportage over literature, added Galina V. Nuikina, an editor of Novy Mir. "When the troops moved into Lithuania, everybody listened to the radio," she said. "Everybody sits watching the People's Congress. Everybody reads Moscow News. Write? There's barely time to read."

Yet, however painful the dislocation, only the aging handful of "official" writers laments the onset of glasnost.

"It's 100 percent good to lose taboos," said Andrei Voznesensky, the young poet-rebel of the 1960s who now, like many of his generations, trots the globe as an envoy of glasnost. "Literature had no future. It lived without juices. Now, at last, literature has living blood and a future."

Using literature as a social tribunal, argued Urnov, ruined it. "We forgave literary weaknesses," he said. "Our leading Soviet writers were weak writers, but we pushed them to the forefront as truth-tellers. Literature has played out its role as a tribunal for relative truths. Instead, it's trying to create an avant-garde. But for now, we're simply too far behind. We have to go to the sources and start anew."

Lazar I. Lazarev, Urnov's deputy editor, interrupted: "And yet, what an epoch for the artist! What great material. If I were to prophesy, I would say that in 20 years or so there must appear a truly 'Soviet' literature, a literature about the people who lived through this."

Perhaps. Or, as Yerofeyev and Voznesensky say, an entirely new voice may be forming in the rich stew of video, Western pop culture, political chaos and freedom.

"We cannot yet see the new generation being born," Tolstaya said. "We are between two cycles: the next great writer may be 10 years old today, but we have no way to discern him. Yet literature cannot die, especially Russian literature."

PEOPLE

Couturière McFadden Gets an Alimony Bill

The fashion designer **Mary McFadden**, whose marriage and separation from a man 30 years her junior has been grist for the tabloid mills, has been ordered by a New York court to pay him $2,400 a month in temporary alimony. **Joel David (Kohle) Yohannan**, had sought $7,651 a month in alimony pending a permanent settlement, as well as college tuition, rent and legal fees. McFadden, 53, and Yohannan, 23, her fourth husband, married in 1989. He moved out less than two months later and in divorce papers charged that she was an aging alcoholic who tried to use him for kinky sex and to revive her career. McFadden called Yohannan "a cheap toy boy" and a "flake, out of control." McFadden said she would appeal the decision.

□

The supermarket tabloid The Globe has apologized to **Tom Selleck** for a story he said implied he was gay and has settled his libel suit out of court. Terms of the settlement were not disclosed. The Globe said it "did not intend to express or imply that Tom Selleck is or ever was a homosexual."

□

Dirty Harry came out clean in a lawsuit filed by a woman who contended that **Clint Eastwood** "intentionally, maliciously and repeatedly" rammed her car with his truck after she had parked in his space at Warner Bros. studios. **Stacy McLaughlin** sued the actor, charging him with purposely ramming her car with his quarter-ton pickup, but a Burbank municipal court judge denied punitive damages and ordered McLaughlin to pay Eastwood's legal costs. Eastwood, who said he was only trying to park his vehicle in its rightful space, paid $960 to repair the headlights and bumper of McLaughlin's car.

□

Andrew Lloyd Webber has sold to the Polygram recording group the rights to such musicals as "The Phantom of the Opera" and "Cats," as well as a 30 percent stake in his entertainment company, for $131.43 million. The deal also gives Polygram an option to take a majority interest in Lloyd Webber's Really Useful company over the next 12 years. Lloyd Webber agrees to continue to work as a composer for the company until 2003.

TODAY'S
BUSINESS MESSAGE CENTER
Appears on Page 12

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